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NEWS SUMMARY

GENERAL

Strikers halt Heathrow flights

All flights in and out of Heathrow Airport, London, were halted for seven hours yesterday by air traffic staff supporting the civil service pay dispute.

But at Gatwick, where the unions claimed 50 per cent support, the Civil Aviation Authority said all traffic was being handled. Page 3

Mitterrand early

President-elect Francois Mitterrand proposed he should take over as France's head of state on Wednesday, following President Giscard d'Estaing's request to hand over early. The new date could bring forward France's parliamentary elections by a week. Page 2

Pope 'lucid'

Pope John Paul II, recovering after his Wednesday operation following being shot in Rome, was conscious and lucid yesterday, talking to his two personal secretaries. Italian and Turkish police are trying to discover who gave cover and cash to gunman Mehmet Ali Agca during 18 months on the run. Page 2

Regan's promise

Journalist Simon Regan agreed in the High Court to hand to his solicitor any tapes, transcripts, notes or other documents he had relating to alleged telephone conversations between Prince Charles and Lady Diana Spencer.

Reagan's concern

U.S. President Ronald Reagan asked a White House lawyer to advise his four children on avoiding giving any impression of impropriety in their business affairs—following a report that his son Michael had made approaches on behalf of a military equipment supplier.

RUC man killed

Russian-built RPG 7 anti-tank weapon was used in a rocket attack on a Land Rover in West Belfast which killed a Royal Ulster Constabulary constable.

Soviets accuse U.S.

Soviet Union officials claimed that when U.S. customs staff searched an Aeroflot airliner in Washington earlier this week they caused $195,890 damage by opening control panels.

'Paranoid' claim

Defence witness Dr. Malcolm MacCulloch, a psychiatrist, told the Old Bailey trial of Peter Sutcliffe, who admits killing 13 women in the North, that he realised he was a paranoid schizophrenic within 30 minutes of starting his examination.

U.S. Sasse charges

Four men have been charged in the U.S. on 78 counts of defrauding the Sasse syndicate of Lloyd's of London, which faced losses of over $21m, of more than $1m of insurance premiums. Back Page

Wales pull out

The Welsh FA has followed England by pulling out of next Friday's British international match against Northern Ireland in Belfast because players were unwilling to play there

Briefly . . .

Princess Anne, expecting her second child, was admitted to St Mary's Hospital, London.

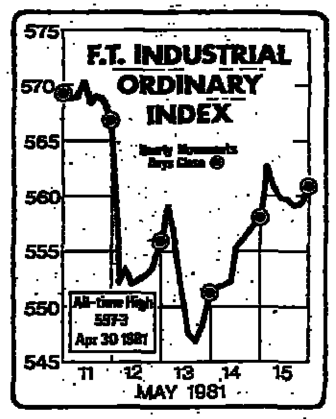
New U.S. ambassador to Britain, Mr. John J. Lewis, flew in to London.

BUSINESS

Gilts firmer; gold up $7

● GILTS showed revived investment support, and the Government Securities index ended 0.33 ahead at 66.86. Page 24

● EQUITIES opened higher, but drifted lower in slow trading as little buying materialised. The FT 30-share index put on 2.9 to close at 561. Page 24



● GOLD rose $7 to $484.5 in London. Page 23

● STERLING improved to \$2.0735 (\$2.0675), DM4.79 (DM 4.78), FFr 11.545 (FFr 11.515) and Y462.5 (Y460), but eased to SwFr 4.29 (SwFr 4.305). Its trade-weighted index was 98.7 (98.4). Page 23

● DOLLAR rose to FFr 5.5750 (FFr 5.57), DM 2.3115 (DM 2.3105) and Y223.2 (Y222.4), but it fell to SwFr 2.07 (SwFr 2.082). Its trade-weighted index slipped to 106.5 (106.6). Page 23

● WALL STREET was up 10.99 at 984.06 near the close. Page 20

● FOKKER is to get up to Fl 800m (£156m) from the Dutch Government to develop a 150-seat jet airliner jointly with McDonnell-Douglas of the U.S. Back Page

● INTERNATIONAL HARVESTER, the U.S. farm machinery and truck manufacturer, is to sell its turbine engine division to Caterpillar Tractor for $595m (£243.5m). Back Page

● U.S. INDUSTRIAL production rose an estimated 0.4 per cent last month—only fractionally under the revised 0.5 per cent advance of March.

● ZAMBIA is to merge its two State-controlled mining companies—Nchanga Consolidated Copper Mines and Roan Consolidated Mines—which account for about 95 per cent of its export earnings. Back Page

● THE AUSTRALIA and New Zealand Banking Group, whose bid for the Commercial Bank of Australia was capped on Thursday by the Bank of New South Wales, is holding merger talks with the Commercial Banking Company of Sydney. Page 21

● SAINT PIRAN shareholders were urged by its independent directors to accept a 60p per share cash offer from Gasco Investments. Page 16

● SWISS BANK Corporation claim to £828,066 on deposit with Lloyds Bank was rejected by the House of Lords. Page 3

● GRAND METROPOLITAN, including results from Liggett which it acquired last June, pushed pre-tax profits up £7.6m to £68.8m for the half-year ended March. Page 16; Lex, Back Page

● NEWMAN INDUSTRIES, the engineering group, reported a loss of £3.49m for 1980, against a pre-tax profit of £378,000. Page 16

● BEREC GROUP, battery manufacturer, reported pre-tax profits down from £17.19m to £10.54m for the year ending February. Page 16; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 11¾pc 1991	£89⅝	+ ¾
Treasury 11¾pc 2003-07 A	£89	+ ¾
Adwest	195	+ 9
Assoc. Comms. A	54	+ 7
BAT Inds.	359	+ 14
Babcock Int.	128	+ 6
Beatson Clark	160	+ 11
Beecham	194	+ 8
Bestobell	455xr	+ 20
Billam (J.)	121	+ 16
British Sugar	334	+ 11
Business Computers	133	+ 19
Collins (Wm.)	245	+ 10
Commercial Bank of Sydney	405	+ 45
Cornell Dresses	133	+ 8
Fogarty (E.)	90	+ 6
Grand Met.	199	+ 6
Gresham House	257	+ 10
Hambro Life	355	+ 20
Johnson Matthey	277	+ 8
Laporte	127	+ 9
Le Vallonet	76	+ 6
Mercantile House	790	+ 20
Northern Foods	169	+ 5
Phoenix Timber	122	+ 12
Polly Peck	262	+ 7
Polymark	133	+ 19
Quest Automation	190	+ 8
Sterling Credit 8pc Conv.	213	+ 11
Tunnel B.	414	+ 10
Whitbread A	163	+ 8
KCA	199	+ 5
Sovereign Oil	360	+ 23
AMAX	£28	+ 1½
Otter Exploration	50	+ 6
Roan Cons.	130	+ 10

FALLS

Berec	75	− 5
Boustead	145	− 9
Commercial Bank of Aust.	380	− 45
Letraset	79	− 4

Thatcher intervenes to clear financing of N. Sea gas pipeline

BY SUE CAMERON AND RAY DAFTER

THE PRIME MINISTER has intervened to help remove the major obstacle to financing Britain's £2.7bn North Sea gas-gathering pipeline.

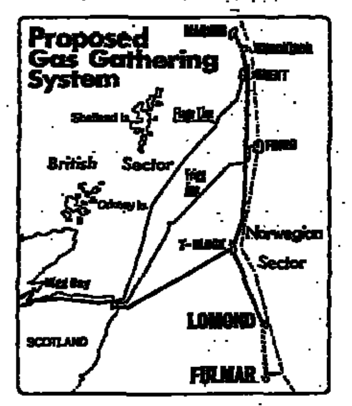
A formal announcement on the funding of the line—the most ambitious project of its kind in the world—is expected within a few weeks.

The building of the line is expected to provide a major boost to the UK's steel and offshore supply industries.

Mr. Ian MacGregor, chairman of British Steel, has been putting pressure on the Government to speed up funding arrangements for the pipeline on the grounds that possible orders could secure the jobs of 3,000 people in the Steel corporation.

The project has been delayed for months because of difficulties of securing financial guarantees.

British Gas has been willing to underwrite money for the pipeline. But now the Treasury has given the corporation and the Department of Energy to



understand that such a guarantee could not be authorised because of its implications for the Public Sector Borrowing Requirement.

However, after pressure from Mrs. Thatcher, who is evidently determined that the project should go ahead, the Treasury seems set to compromise. It has apparently decided that a British Gas guarantee would only have implications for the PSBR if the loan were actually called in—which is thought to be highly unlikely.

A financing package for the pipeline is being put together by a consortium of banks led by the Bank of Scotland.

Under the new formula, it is hoped that a permanent pipeline company could be set up before the end of the year. Previously there had been plans to form an interim pipeline company precisely because of the difficulties involved in financing the project.

British Gas, which will have to be given formal Government permission to underwrite part of the loan, was to have had an equity stake of about 30 per cent in the pipeline company. It is thought the corporation may now be able to negotiate a somewhat larger interest.

The pipeline, about 300 miles long, will run from the Murchison field in the north to the Lomond field in the central North Sea east of Dundee.

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Oil prices increased, Page 3

Soviet ships near Lebanon as U.S. mission teeters

BY DAVID LENNON IN TEL AVIV

THE SPECIAL American envoy mediating in the confrontation between Israel and Syria will fly to Saudi Arabia today in what looks like a last desperate effort to resolve peacefully the Lebanese missile crisis which threatens to deteriorate into open warfare.

Five days of shuttle diplomacy which took Mr Philip Habib to and from Beirut, Damascus and Tel Aviv, appeared to have reached a stalemate yesterday as he failed to find a diplomatic formula to satisfy both sides.

As tension increased there were reports here that Soviet and American naval forces had moved into the eastern Mediterranean between Cyprus and the Lebanese coast. The Soviet task force was said to comprise the aircraft carrier Moscow, another warship and two supply vessels. The American force was said to be led by the aircraft carrier Forrestal.

In Washington, however, Pentagon officials said three U.S. warships moving through the Suez Canal were travelling to their home bases. Their movement was not associated with any Soviet ships in Lebanese waters, they said.

After an apparently fruitless meeting in Tel Aviv with Mr. Menachem Begin, the Israeli Prime Minister, yesterday morning, it was announced that Mr. Habib would go to Saudi Arabia today and hoped to return to Damascus later.

The decision to travel to Saudi Arabia was seen as a last effort to bring pressure on Syria after the shuttle between Tel Aviv and Damascus had failed to yield a compromise.

After yesterday's meeting Mr. Begin said: "Syria has not given even a hint that it is willing to remove the missiles." He added: "But our efforts to find a peaceful solution will continue, we must never give up hope."

There appeared, however, to be little cause for optimism as Syria refuses to remove the anti-aircraft missiles it has stationed in Lebanon, and Israel refuses to stop its flights over that country.

Syria moved the missile batteries into the Bekaa valley in eastern Lebanon two weeks ago after Israel shot down two Syrian helicopters which were assisting troops fighting the Phalangist forces.

Asked what he thought the next step would be the Israeli Premier replied: "I simply do not know." Israel has threatened to attack and destroy the missile batteries because it claims their presence in Lebanon threatens its national security by endangering Israeli aircraft in reconnaisance missions over Lebanon.

Domestic criticism of Mr. Begin's handling of the crisis continued yesterday with a group of some 50 reserve soldiers writing to him. They wrote: "As student soldiers we will fight if asked to, but the Government's handling of the situation has not been satisfactory."

Mr. Abdul-Halim Khaddam, the Syrian Foreign Minister, confirmed yesterday that oil producing Arab nations had stopped paying their $15m (£7m) monthly subsidy towards the cost of the Syrian peace-keeping force in Lebanon.

Ford unions in discipline talks

BY NICK GARNETT, LABOUR STAFF

FORD AGREED yesterday to a request from its unions for a national level meeting on Tuesday to discuss the dispute over shopfloor discipline at Halewood, Merseyside. The strike has resulted in the shutdown of all the company's UK car and van production.

The company also issued a further warning, however, about the long-term viability of the Halewood operation which produces the Escort.

"With this continuous loss of production one has to seriously consider whether to continue there," Mr. Paul Roots, the company's industrial relations director, said yesterday.

Ford spent £207m revamping Halewood and preparing it for the new Escort, which started production last summer. The company last year authorised spending a further £135m by 1985 at the plant which is one of only two operations which produces the Escort, the other being Saarlouis in West Germany.

About 10,000 body and assembly plant workers at Halewood have been on indefinite strike since Monday in an attempt to force the company into removing the disciplinary code to combat unofficial stoppages introduced by management in November. Another 2,000 workers in Halewood's transmission plant have been laid off.

The company says that there has been no move by workers at other plants to follow the Halewood lead against the code which involves suspending unofficial strikers for the shift in which the strike occurs and a further shift.

Halewood produces gearboxes for Cortina and Fiesta production at Dagenham and for the Transit van made at Southampton. Because of components shortages, 5,000 workers at Dagenham have been laid off from this weekend, and 3,000 will be laid off from Tuesday at Southampton. Work is still continuing in the engine plant and other areas of Dagenham.

The company accepts that the code is a crude device brought in to stem a rising number of unofficial stoppages, particularly at Halewood. It is likely to tell the unions on Tuesday that it is prepared to examine any concrete proposals the unions put forward for replacing the code.

Mr. Ron Todd, Transport and General Workers Union convenor and senior Ford union negotiator, said last night: "We are facing a very serious position."

He said the code was resulting in greater production losses than before it was introduced. The unions would be asking the company for a "re-think" on the code.

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Hopes of early MLR cut dashed

By Peter Riddell, Economics Correspondent

THE UK Treasury bill rate rose slightly yesterday for the third week running. Market hopes of an early cut in Minimum Lending Rate have virtually disappeared for the time being.

The average discount rate at yesterday's weekly tender edged up to 11.34 per cent from 11.30 per cent a week ago. Other money market interest rates in London have shown a fractional rise or remained stable in the last fortnight despite the sharp increase in rates overseas.

The majority opinion in the City is still that a reduction in MLR and in the cost of borrowing has merely been postponed until later this year. Only a few analysts expect the next move to be upwards, though almost none did a fortnight ago.

City markets are looking for clarification both of domestic uncertainties, especially about the civil service dispute, and of the international financial turbulence.

Prices of long-dated gilted stocks did, however, rise by £⅞ yesterday, on hopes that U.S. interest rates may near their peak.

A slight fall in Eurodollar rates helped push sterling up 60 points to $2.0735 and the pound also gained against the main Continental currencies. The trade-weighted index, measuring the average value of sterling against other currencies, rose by 0.3 points to 98.7.

So far this month three month Eurodollar rates have risen by two points to widen the gap above three-month Eurosterling rates to a record seven percentage points.

This has been reflected in a seven cent drop in sterling against the dollar though the pound has appreciated slightly against the weak Continental currencies.

● Trading in the foreign exchange market was thin but nervous yesterday, ahead of

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Europe suffers on interest rates, Page 2
Money markets, Page 23
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£ in New York

	May 14	Previous
Spot	\$2.0765-0775	\$2.0745-0765
1 month	1.33-1.40 pm	1.15-1.25 pm
3 months	3.90-4.00 pm	3.80-3.90 pm
12 months	9.70-9.90 pm	9.90-10.10pm

MINISTERIAL SALARIES	Proposed	Present
	£	£
Prime Minister	36,725*	31,750*
Lord Chancellor	44,500*	35,200*
Cabinet Ministers	27,825	23,500
Ministers of State (Commons)	19,775	16,250
Ministers of State (Lords)	23,275	16,400
Ministers' Parliamentary Salary (Payable in addition to ministerial salary)	8,130	6,930
HOUSE OF COMMONS		
Leader of Opposition	25,550	20,950
Party. Secy. to Treasury (Chief Whip)	23,225	19,300
Opposition Chief Whip	19,775	16,250
MPs	13,950	11,750

Salaries shown are those applicable for pension purposes. As last year the Prime Minister and the Lord Chancellor have decided to draw no more than the salary payable to other Cabinet Ministers which will be £27,825.

Top rises cause fury in Civil Service unions

BY MARGARET VAN HATTEM AND PHILIP BASSETT

CIVIL SERVICE unions reacted with fury yesterday to the announcement of sharp increases in pay for MPs and members of the armed forces.

Under proposals announced by the Prime Minister in a written Parliamentary answer, MPs will receive pay rises of 18.7 per cent while top civil servants will be held to 7 per cent, with 10.3 per cent for the armed forces and doctors and dentists getting a bare 6 per cent increase.

The awards to MPs and the armed forces will raise the level of union expectations on pay. They will have particular effect on the pay dispute in the Civil Service, which enters its 11th week on Monday over an offer of 7 per cent, in reply to an original claim for 15 per cent.

The awards will further increase pressures from Civil Service members for the present campaign of selective strikes to be stepped up to include action involving the entire membership, such as the proposed week-long strike next month.

Union leaders' responses to the announcement of the awards was generally hostile, but Civil Service union officials were particularly angry at what they saw as further evidence of discrimination by the Government against one part of the public sector workforce.

The 10.3 per cent armed forces award will have the most direct bearing on the Civil Service dispute. More than one third of the 530,000 white-collar Civil Servants are employed in the Ministry of Defence, many working alongside servicemen.

Many civilian defence workers have already played a key part in the present strikes, and union leaders expect the award will further increase their militancy.

The rise for MPs does not technically breach the cash limits.

This is because 12.7 per cent represents a catching-up on recommendations by the Top Salaries Review Body for the past two years, and has already been budgeted for.

In her announcement yesterday the Prime Minister insisted that MPs would actually get only 6 per cent extra.

But she conceded that the increases went further than those proposed by the review body to come into effect in June, 1981.

The increase, which will cost £800,000 over a full year, bringing to £287m the pay bill for public servants involved in yesterday's review.

In a conciliatory gesture both the Prime Minister and Lord Hailsham, the Lord Chancellor, have agreed, as last year, to forego their full salary and draw the £27,825 proposed for ordinary Cabinet Ministers.

This represents a theoretical £9,000 cut for the Prime Minister and a £16,675 cut for the Lord Chancellor. Both will, however, continue to draw a Parliamentary allowance, increased from £6,930 to £8,130.

Mr. Dennis Skinner, the independent-minded Left-wing Labour MP for Bolsover, immediately denounced the rises and called for a Ministerial statement so that the Government's pay policy could be challenged.

Other opposition MPs appeared well pleased with the figures, and there was no indication that Mr. Michael Foot, Leader of the Opposition, planned to take a voluntary salary cut. His salary will be £25,550.

Top Salaries Review Body Recommendations, Page 18

OVERSEAS NEWS

Mitterrand plans May 20 inauguration

BY DAVID WHITE IN PARIS

M. FRANCOIS MITTERRAND, France's Socialist President-elect, yesterday proposed to take over officially as Head of State next Wednesday, following a request by President Valery Giscard d'Estaing to shorten the transition period.

This falls between the earliest date proposed by the outgoing President—May 19, the date of his election in 1974—and the anniversary of his inauguration on May 24, which was the deadline set yesterday by the Constitutional Council. The Council ceremonially proclaimed M. Mitterrand's election as President by a margin of 1.07m votes.

A May 20 inauguration, which would follow the last Cabinet meeting of the outgoing Government, would in theory enable M. Mitterrand to bring forward the date of parliamentary elections to June 14 and 21 instead of June 21 and 28.

The decision to reduce the interregnum between the two Presidencies reflects concern on both sids about the effect of a Government vacuum on management of the economy and in particular on the state of the franc.

Pressure on the French currency eased somewhat yesterday after the Bank of France had rallied to the franc's defence and raised its guideline rate—the discount rate for seven-day Treasury bills—to the unprecedented level of 18 per cent.

The franc improved to 5.536 to the dollar compared with 5.565 on Thursday, its lowest level for over a decade. But it continued to slip against the D-Mark and the Swiss franc.

The day-to-day money rate remained stable at 16 per cent. Stock market prices fell again, by about 4 per cent.

The two centre-right parties holding the opposition majority in Parliament yesterday made public a policy pact for a joint front against the left in the forthcoming election.

The pact takes several leaves from the campaign book of M Jacques Chirac, the Gaullist leader who was a first-round Presidential candidate. Its "basic principles" include an emphasis on "liberty and responsibility" in economic policy and fiscal and regional reform.

The Gaullist RPR and the centrist UDF have pledged to stand down in favour of each other's candidates in the second round and in some constituencies to field only one candidate. The candidates would run under the banner of "Union for a (or, according to UDF, *the*) New Majority."

The Communist Party, whose ruling central committee met yesterday, said it was ready "at any moment" to hold talks with the Socialists on a Government alliance.

M Lionel Jospin, who has taken M Mitterrand's place as head of the Socialist Party, said he believed there had been "a change" of tone among the Socialists' partners on the left.

There would be no pact if the Communists did not change their position, he said. Discussions would centre on a number of policy issues

Unemployment figures published yesteday showed a 3.7 per cent jump in seasonally adjusted terms between March and April, with the total reaching 1.72m, almost 20 per cent above the rate of a year ago.

White House meeting between Reagan and Botha

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT RONALD Reagan yesterday conferred in the White House with Mr. R. F. "Pik" Botha, the South African Foreign Minister, in a session symbolically suggestive of closer future co-operation between Washington and Pretoria.

The meeting was quietly announced by the White House late on Thursday, reportedly because the U.S. felt that the first round of talks between Mr. Botha and Mr. Alexander Haig, the Secretary of State, on the future of Namibia had gone so well.

Previously, the Administration had tended to discourage speculation that Mr. Reagan and Mr. Botha might meet, though it never entirely ruled out the possibility. This was presumably because of the offence that black African nations would doubtless take, at such a meeting.

This had been amply evident earlier this year after Mr. Reagan had spoken warmly of South Africa in a television interview and after a delegation of South African military officials had conferred privately here with Mrs. Jeanne Kirkpatrick, the U.S. ambassador to the United Nations, in contravention of long-standing U.S. practice against such consultations.

Both Mr. Botha and Mr. Haig sounded very optimistic about a Namibian settlement after their initial conference. The Foreign Minister said he could see "the real possibility of moving ahead within the perimeters set out by the U.S. Government."

These involve the establishment of constitutional and security guarantees for both the white minority in Namibia nad for South Africa itself before free elections are held.

The new U.S. approach was endorsed in principle by the Foreign Ministers of the other four Western powers (France, West Germany, Britain and Canada) involved in the mediation in Rome earlier this month.

The U.S. is also understood to be attempting to link a phased withdrawal of the 20,000 Cuban troops now in Angola with the withdrawal of South African troops from Namibia.

The Government of Angola has always said that if a satisfactory settlement is reached in Namibia, it would ask Cuba to remove its forces. The U.S. intent appears to be to try to persuade other front line African nations to use their influence to get this process accelerated as part of the overall Namibian negotiating framework.

These precise details will be taken up next week when representatives of the five powers meet here to discuss the next steps.

For his part, Mr. Botha emphasised that he first had to report back to his Government but he described as "constructive" the proposal that minority rights in Namibia should be constitutionally guaranteed.

"Whether it should be a constitution in fine print, I can't say today," he said, "but the idea of a document a guarantee, a declaration of rights guaranteeing certain fundamental rights—that idea is a good one."

HISTORIC MEETING: President Re agan and Mr. Botha in the Oval Office

Solidarity calls off strike alert

By Christopher Bobinski in Warsaw

SOLIDARITY, POLAND'S free trade union, yesterday called off a strike alert in the north-eastern Bialystock region after the suspension of three police officers whom Solidarity claims were involved in beating up a disabled man.

Solidarity also said the country's "serious mood" after the assasination attempt on the Polish-born Pope was another reason for calling off the action.

The strike, threatened for next Tuesday and the first reported since the Polish parliament passed a resolution last month urging a two-month ban on work stoppages, highlights the increasing problem of relations between the police force and the public.

As the public's lack of confidence in a force which has acquired a reputation for dishonesty and unnecessary violence becomes more apparent, the authorities are having to face the question of whether reforms should be introduced to try to win back some respect.

For the moment the Interior Ministry is confining itself to warning that crime is on the increase because of the low prestige the police enjoy and because the population is refusing to co-operate with the police. Some policemen are being told by their superiors not to intervene too enthusiastically to prevent crime because of the danger that this could lead to clashes with the public.

On Thursday, Interior Minister, General Miroslaw Milewski, told a Government meeting that crime had risen 26 per cent in the past four months compared with the same period of last year.

Brij Khindaria reports from Geneva: Mr. Lech Walesa, the leader of Solidarity, is to head the delegation representing Poland's trade unions at next month's annual assembly in Geneva of the International Labour Orgazisation.

Agencies add: Czechoslovakia's official newspaper, Pravda, claimed yesterday that Mr. Walesa's current trip to Japan was motivated by political rather than union reasons and that he was seeking financial support from Japanese trade unions. It also alleged that funds provided in the past by foreign unions had been used for "subversive" propaganda purposes.

In Moscow, the Soviet Communist daily, Pravda, accused the leaders of Solidarity of being bent on seizing national power and restoring elements of capitalism.

Italian police search for gunman's helpers

BY RUPERT CORNWELL IN ROME

ITALIAN and Turkish police are trying to discover who gave cover and financial support to Mehmet Ali Agca during his 18 months on the run, amid a growing conviction that he could not have acted entirely on his own in his almost successful attempt to murder the Pope.

As John Paul II continued to make satisfactory progress after his emergency four-hour operation on Wednesday, the 23-year old Turkish gunman was being interrogated around the clock by Italian magistrates and security experts, aided by two officers from the Ankara branch of Interpol.

The investigators are now certain that to some extent Agca must have relied on accomplices and protectors. The arrest warrant issued against him, charging him with an attack on a Head of State and attempted murder, speaks of him acting in collusion "with people as yet unidentified."

It is reckoned that for AGCA to travel as extensively in Western Europe as he did while on the run would cost at least £50 a day, or over £18,000 a year. Agca has maintained that he belonged to no organisatio nand acted alone. In the manner of someone well prepared for interrogation, he is giving nothing away about his sources of finance.

According to police investigating his enrolment on April 9 at Perugia's university for foreigners (under the alias of Ogzun Faruk), Agca was smartly dressed and carrying a considerable sum of money, in D-marks and lire.

Mgr Hilarion Capucci, the priest once imprisoned by Israel for supplying arms to the Palestinian Liberation Organisation, said yesterday however that the terrorist did not have links with the PLO. "He was a criminal acting on his own," Mgr Capucci said.

The Pope himself is continuing to be fed intravenously in the Gemelli clinic's intensive care unit. His temperature rose slightly yesterday, but his doctors declared that this was perfectly normal after so complicated an abdominal operation.

A second operation, to rebuild the damaged intestine, will take place within three to eight weeks, depending on the speed of John Paul II's recovery. Yesterday he was conscious, lucid and talking to his two personal secretaries.

In this less agitated climate, Italy's political parties would up their campaigns for tomorrow's referendums — two of which concern abortion, on which the Pope has taken so hostile and controversial a stand.

Sig. Enrico Berlinguer, the Communist leader, was to address a mass rally last night in favour of maintaining the existing moderately permissive legislation.

Steel trigger price unchanged

By Ian Hargreaves in New York

MINIMUM prices for foreign steel shipped into the U.S. will not change in the third quarter of this year from second quarter levels, the Commerce Department said yesterday.

These so-called trigger prices were raised by 4.4 per cent in the second quarter and 0.9 per cent in the first quarter. The U.S. industry had been hoping for a further increase in the third quarter, although the American Iron and Steel Institute said it would need to study the detailed reasoning behind the announcement before commenting.

The Commerce Department said that the costs of Japanese integrated producers of steel, upon which trigger prices are based, had increased by only 0.3 per cent in the second quarter, reflecting lower energy costs.

U.S. steelmakers, however, are currently engaged in an ambitious round of price increase proposals, with U.S. Steel recently leading the way on a plan which would put up the price of a number of major steel products by between 10 and 12 per cent.

As Bethlehem Steel, the number two producer, has not yet followed the U.S. Steel lead, there is doubt as to whether these prices will eventually become industry-wide, but certainly there is a strong desire among the domestic manufacturers to improve profit margins, which they say have been eroded for many years.

The trigger price system was reinstated last year after a major row between U.S. and European steelmakers, with the U.S. Government caught in the middle. The system is designed to restrict imports and to ensure they are sold at a reasonable price.

So far this year, the domestic industry has been fairly satisfied with the results of trigger pricing, as the share of the U.S. steel market captured by foreigners has fallen from 14.7 per cent in the first quarter of 1980 to 13.9 per cent. There have been some hints recently, however, that the more international trade oriented members of the Reagan Administration are still unhappy about the trigger price system and would prefer to see its effect diminished by moderate application.

Abstention by Moderates resolves Swedish crisis

BY WILLIAM DULLFORCE IN STOCKHOLM

SWEDEN'S Government crisis was resolved yesterday when the Moderate (Conservative) Party agreed not to vote against the formation of a minority Government under the Centre Party leader, Mr. Thorbjörn Fälldin.

Mr. Fälldin can form a new Cabinet from his own and the Liberal Parties next week, unless he is rejected by a majority in the Riksdag, Sweden's Parliament. With the abstention of the Moderates, the Social Democrats and Communists will fail by one vote to muster a majority against him.

Between them, the Centre and Liberal Parties hold only 102 of the 349 seats in the Riksdag. To push legislation through the Riksdag they will have to rely on the 73 Moderate members.

The Moderates' decision deprives the Social Democrats of the new election next month for which their leader, Mr. Olof Palme, had been calling and which was expected to sweep them back to power.

Mr. Fälldin is the outgoing Premier. He resigned on May 8 after the Moderates had quit his three-party coalition because they objected to an agreement on tax reform which their two partners had reached with the Social Democrat Opposition. The agreement, which Mr. Fälldin insists he will implement, will delay reductions in income-tax until 1983.

Dutch employers' appeal

BY CHARLES BATCHELOR IN AMSTERDAM

THE LARGEST Dutch employers' organisation, the Netherlands industry federation (VNO), yesterday appealed to the country's politicians to give priority to industry in their electoral programmes. Mr. Chris Van Veen, the employers' chairman, accused the major parties contesting the general election on May 26 of appearing to promise much but in practice doing little to help industry.

Speaking at the federation's annual congress attended by the leaders of the four largest parties, Mr. Van Veen said the party slogans promised a new deal for industry, but a closer reading of the programmes showed that the politicians were heaping additional tasks and burdens on the private sector.

Priority must be switched from the public sector to the private company so that more funds are available for investment, companies in growing sectors are given extra encouragement and people are motivated to achieve more, he said.

The report of the Organisation for Economic Co-operation and Development (OECD) on the Dutch economy, released earlier this week, amounted to the strongest warning ever given by an outside organisation that Dutch economic policies must be changed, Mr. Van Veen said.

VW seeks foothold in Iran motor industry

BY STEWART FLEMING IN FRANKFURT

VOLKSWAGEN, West Germany's largest car maker, is trying to establish a stronger foothold in the development of the Iranian motor industry through the supply of car components or machine tools and manufacturing equipment.

A delegation from Iran National, the state car concern, recently visited the VW headquarters in Wolfsburg, but further negotiations are now being handled by one of VW's Brazilian subsidiaries, VW Caminhoes.

This company, formerly Chrysler Motors do Brazil, was acquired by VW last November for a total price of DM 191m (£40m). It is leading the talks with Tehran over the supply of machinery similar to that used for manufacturing the Colara model, part of the Chrysler do Brazil Dodge range of cars and trucks.

VW said yesterday that Iran was chiefly interested in increasing the content of local manufacturing in its car industry.

Iran is also seeking to widen the base of its components suppliers and is studying the possible use of some VW parts in locally assembled cars from other manufacturers.

For more than a year it has been examining the possible use of the engine used in the VW Passat model, but as yet appears to have reached no technical conclusions.

Volkswagen's trade links with Iran have hitherto been extremely modest. Last year sales in Iran totalled only DM 2.6m, and in 1978, the last year of the Shah's rule, turnover there amounted to no more than DM 8.9m.

Egyptians cut price of oil for Israel again

BY L. DANIEL IN TEL AVIV

EGYPT has further reduced the price of the crude it supplies to Israel—the second reduction within a month. This brings the prices close to those on the spot market. Mr. Yitzhak Moda'i, the Israeli Energy Minister, said yesterday.

From May 1, Israel will pay $33 per barrel for Suez blend which had been reduced to $37.50 on April 1 from the 1980 price of $40.50. Belaim crude will now cost $33 against $35.50 in April and $39 previously and heavy crude (Ras Garib) $30 against $31.50.

Egypt agreed to the additional cut after representations by Israel, which regarded the April 1 reduction as insufficient.

Patrick Cockburn adds: Egypt last year earned $2.9bn from its oil revenues in the last months of which it was producing 700,000 barrels a day of crude. When it raised its price to $40.50 for a barrel of prime Morgan blend at the beginning of the year there were 113 bidders for the 120,000 b/d available for export. Israel is Egypt's largest customer with a contract for 40,000 b/d.

Spot prices for Middle East and North Sea crudes have been tumbling rapidly to $33 a barrel, close to the Saudi Arabian price of $32.

At the end of April the Saudis reduced the price of their war relief crude, sold to customers hit by the Iran/Iraq war, by $2 a barrel.

Egypt has also been asking customers to pay on 30 rather than 60 days credit in return for a price reduction of $0.50 a barrel.

Belgians seek compromise on steel rift

BRUSSELS—Negotiations continued yesterday between members of Premier Mr. Mark Eyskens' centre-left coalition Government to heal a rift over proposals to boost the economy and overhaul the ailing Belgian steel sector.

The dispute broke out earlier in the week, pushing Belgium to the brink of a fresh Government crisis and raising speculation the country may head for early elections this summer.

The four coalition partners are divided over a proposed merger between two steel companies in Wallonia. AP

Italian to head Group of Ten

BY RUPERT CORNWELL IN ROME

DR. LAMBERTO DINI, Director General of the Bank of Italy, is to take over as the new chairman of the Group of Ten repr. senting the leading Western industrial powers, and a key steering group on international monetary affairs.

Dr. Dini who has held his present post since the reshuffle at the top of the Italian central bank in the wake of the 1979 "Bank of Italy" affair, succeeds Herr Manfred Lahnstein, the former Under Secretary of State at the West German Finance Ministry who resigned when he joined the secretariat of Chancellor Helmut Schmidt.

His credentials for the post are impeccable, above all a 20-year stint at the International Monetary Fund in Washington which culminated between 1976 and 1979 in a seat on the Fund's executive board, representing Italy.

Arguably his most distinguished predecessor in the new post was also Italian—Dr Rinaldo Ossola who was chairman between 1967 and 1976 and also a former director general of the central bank. He is considered to have been one of the "fathers" of the Special Drawing Rights, aimed at phasing gold out ofthe international monetary system.

The Group of Ten was established in 1962, and is made up of top central bank and Finance Ministry officials from nations adhering to the "General arrangement to borrow" (GAB).

Reuter reports from Naples: Italy's Red Brigades guerrillas, stepping up their campaign in the earthquake-damaged city of Naples, shot a city councillor in the leg today

Police said four masked attackers, including a woman, stopped Christian Democrat councillor Sig. Rosario Giovine, 52, outside his home, took his photograph and fired

Europe suffers on the interest rates roller-coaster

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government has long expressed its fear that continuing high interest rates in the United States will mean a deeper and longer recession in Europe. But Bonn's worries about U.S. financial and monetary policy, in fact, go well beyond this. It was against this background that the talks took place yesterday near Frankfurt between Herr Hans Matthoefer, the West German Finance Minister, and Mr. Donald Regan, the U.S. Treasury Secretary.

The Americans have already shown bafflement and irritation at Bonn's repeated calls for "international interest-rate disarmament" in which the U.S. would inevitably have to play a key role.

They say that while the Germans have constantly urged the U.S. to reduce its inflation rate, Bonn is now unwilling to accept the interest-rate squeeze this implies.

On this point at least, the U.S. has an ally in the Bundesbank, the independent German Central Bank. Hence spring the well-publicised differences between Chancellor Helmut Schmidt and the Bundesbank president Herr Karl Otto Poehl.

Bonn's reply is that a U.S. war on inflation which relies primarily on a stance in favour of high interest rates by the Federal Reserve may well have the desired domestic effect in the long run. But it is feared that the victory may be won at the cost of seriously weakened European economies and greatly increased unemployment.

So long as U.S. rates are high, West German rates must stay high, too, to prevent a run out of the D-Mark—the world's second reserve currency—into the dollar.

So long as West German rates are high, it is extraordinarily difficult for other European States—especially those within the European Monetary System—to lower theirs.

The upshot, according to this argument, is that for international reasons the Europeans are maintaining levels of interest rates wholly out of keeping with their depressed domestic economic development.

This is much more than a technical quibble. Europe has survived a sharp increase in unemployment over the last five years without serious harm to its social structure and democratic institutions. But can it survive a similar increase over the next five years too?

The U.S. answer has been that the war on inflation is not being fought by the Fed alone but by the Reagan Administration, which is determined to cut the Government deficit sharply. The West Germans look at Mr. Reagan's plans for tax reductions and increases in defence spending and are far from convinced. They feel that even if the deficit does fall this will take a lot of time. Meanwhile, the Fed will battle on with its tough interest rate stance, and the Europeans will be squeezed further.

Even this prospect might seem tolerable to Bonn if U.S. interest rates were at least stable. But over the past 18 months or so, they have been subject to extreme fluctuation—though always at a high level.

The Bonn Government and the Bundesbank are clearly concerned about this, since it makes stable German domestic policy harder to achieve and is felt to be damaging to business psychology. This fluctuation is felt, at base, to be a further sign of excessive U.S. reliance on monetary policy.

Short-term changes in U.S. money supply figures—too short term, in the West German view, to be of much real value—bring instantaneous over-reaction from the markets, and feed through to produce what is termed the interest rate "roller coaster."

In this climate of uncertainty, Mr. Beryl Sprinkel, the Treasury Under-Secretary for Monetary Affairs, last month made a statement which for Bonn has the fascination of an unexploded bomb. Mr. Sprinkel, a well known monetrist even before he took up his present post, said that the U.S. did not plan to intervene on the foreign exchange markets to stabilise the dollar—except in cases of extreme urgency.

Bonn would dearly like to know more about what this statement implies. At worst, it could mean that the Europeans will be faced with a more erratic dollar course, itself influenced by high and fluctuating U.S. interest rates. This would imply a return to something like the policy of dollar neglect—benign or otherwise—of the early years of the Carter Administration. It would also mean a retreat from the U.S.-West German accord of September 1979 on the desirability of exchange-rate stability.

MR. DONALD REGAN, the U.S. Treasury Secretary, held out hopes of a gradual decline in U.S. interest rates in a few months, following a two-hour meeting yesterday with Herr Hans Matthofer, the West German Finance Minister at Kronberg, near Frankfurt.

West Germany has expressed concern about high and volatile U.S. interest rates which are creating economic policy problems in Germany and other European countries.

Following the talks, the first between the two Finance Ministers, a communique stressed the cordial atmosphere in which the meeting took place. But the prospect that a turning point in U.S. interest rate trends is still some way off will have confirmed West German fears.

In recent weeks there has been a growing chorus of complaint out of Bonn, including comments from Herr Helmut Schmidt, the Chancellor, about interest rates. The attractions of high dollar rates have been one of the main factors behind the sharp fall in the D-mark over the past few months—a decline which has forced policy-makers to push interest rates in West Germany to record levels to defend the currency.

Herr Matthoefer

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CBI blames high rate bill for decision to cut 31 jobs

By Lisa Wood

THE CONFEDERATION of British Industry said yesterday that it is to make 31 of its 400 staff redundant.

Other economy measures include the sub-letting of up to three of the 13 floors it occupies in the Centre Point office block in London.

The confederation already hires its conference falicities to non-members. This has become an increasing source of income since it moved its headquarters to Centre Point in June.

A "soaring rate bill" for Centre Point, was blamed by Sir Terence Beckett, the CBI's director general, for the redundancies, 22 of which will be compulsory.

Last year, the CBI's rate bill from Camden borough council was £542,000. This year it is £750,000 for its offices at Centre Point. The organisation moved in last year after signing a 45-year lease at a recent of £750,000 a year.

A deficit of £354,000 was recorded last year by the CBI after allowances for recovery of Corporation Tax and provision for deferred tax. Economies have been taking place for some time.

Staff received single figure percentage pay rises in the current wage round. Recruitment was frozen in January. About 40 vacancies are now unfilled.

Sir Terence said the economies were aimed to enable the organisation to break even on its £7.1m budget for 1981.

"Our members are feeling the recession biting deep. Many of them have had to make these kind of economies. We cannot expect the CBI to go unscathed," he said.

Support from the membership said Sir Terence, was "magnificent." Subscription income would be £300,000 up on last year.

Five companies resigned from the CBI last year after a speech by Sir Terence at the end of the CBI conference in Brighton, when he threatened the Government with a "bare knuckle fight" if it did not move quickly over certain issues. The CBI said yesterday that though some companies had left over the speech, others had joined because of it.

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New-style house report for buyers

BY TIM DICKSON

A NEW house buyer's report and valuation, which will be cheaper though less detailed than the familiar structural survey, will soon be available from surveyors.

The scheme, being launched by the Royal Institution of Chartered Surveyors, is designed to give home-buyers an accurate idea of the condition of property and what it is worth.

The move, to be announced in detail on Monday, follows introduction of a similar plan by the Abbey National Building Society this week.

For an additional fee of £57.50 Abbey National mortgage applicants will receive a report of the state of repair and the condition of the property they propose to buy.

This will include the building society mortgage valuation which Abbey National, in common with certain other societies, now allows borrowers to see.

The inspection, however, covers only visible or accessible parts of the house, so that examination of the flooring, for example, may be prevented by fitted carpeting or furniture.

Abbey National stresses that its new report on condition and valuation is distinct from a full structural survey.

"Our report will answer all the questions that people really need to know about their property," the Abbey National's Mr. Jim Hunter said yesterday.

He added that the fixed fee would be in addition to the normal fee for valuation of a property. But that purchasers could save about £90 on a £20,000 property, compared with an "average," structural fee.

The institution is taking its initiative for similar reasons.

"Very few people, perhaps 15 to 20 per cent of house-buyers, have any independent professional advice when they come to buy a house," said Mr. Peter Short of the Institution.

"What we are trying to do is to tell them if they are getting a good buy; what structural problems there are; and what the property is worth."

Mr. Short stressed that the new institution reports would be less detailed than a full structural survey.

A sliding scale of fees has been drawn up. Cost to the customer will depend on age and purchase price of the property.

A report on a £20,000 house, for example, will cost £75 if built since 1945, £82 if built between the wars and £90 if it is pre-First World War. Reports on £40,000 properties in these categories would cost £102, £115 and £128 respectively.

The institution scheme will not apply to flats or "period" properties.

Houses with floor space of more than 2,000 sq ft will be excluded because it is felt that they may require a more detailed examination.

The institution hopes that the scheme will be taken up by about 16,000 of its general-practice members, such as estate agents and valuers.

Fuel and heating oil prices increased

BY SUE CAMERON

SHELL, Esso, Mobil and Texaco raised the prices of their fuel oil, domestic heating oil and other oil products last night in an effort to offset the losses on their refinery operations.

The companies say they have been hit hard by the fall of sterling against the U.S. dollar. They also admit that their attempts to restore profits by increasing the pump prices of petrol have failed—at least partially—in many parts of the country. They have therefore been forced to give extra price support to some of their petrol dealers.

Most of the majors have increased the price of their gas oil—mostly used for domestic heating oil—by about 2p a gallon. The price of derv has been increased by a similar amount.

Increases in heavy fuel oil—used to power factories—were led by Esso, which raised its prices last week. The other companies have followed with rises varying between £4 and £6 a tonne.

Shell said yesterday that it had been forced to raise its product prices in an attempt to recover part of the increase in its crude oil costs. The cost of its crude had risen because of the devaluation of sterling against the dollar. The pound had dropped from about $2.2 at the end of March to $2.07 yesterday.

Shell said its latest product price rises would offset about only one third of the rise it had had to bear in its crude costs. Shell, which admitted it was "losing money on its refinery operations," said it could not raise its product prices any higher because of competition in the market place.

Mobil, Texaco and Esso gave similar reasons for their product price increases.

BP Oil, which ranks third in the UK petrol market after Shell and Esso, did not put up its prices yesterday. It is expected to do so next week.

Most of the major oil companies added about 4p to the pump prices of their petrol at the end of March. Industry experts say that, in many areas, competition has forced garages to reduce the increases by about 2p.

The present glut of oil on the market is among the reasons for the continuing fierce competition at the pumps.

Northern Ireland mourns at four funerals

BY STEWART DALBY

THE ROYAL ULSTER Constabulary yesterday named the policeman killed in a rocket attack on a Land-Rover in West Belfast early in the day, as the province witnessed four emotional funerals stretching across the sectarian divide.

The policeman killed in the rocket attack, during which three others were injured, was named as Constable Samuel Valley, 23, the father of a 16-month-old daughter.

Army sources say the Land-Rover was hit by an RPG 7 Russian built anti-tank weapon which can be hand held. It is known to form part of the armoury of the Provisional IRA.

The attack marks the first serious escalation of Provisional IRA violence since the death of the first hunger striker, Mr. Bobby Sands. There are fears that this attack could presage others not only in Belfast but also against Britons in Dublin.

Meanwhile, Northern Ireland buried its dead. Mr. Eric Guiney was buried three days after the funeral of his 14-year-old son. Both were injured by a stone throwing mob when their milk float crashed.

At the funeral in Rathcoole, a Protestant district, Dr. Arthur Butler, Church of Ireland Bishop of Connor, said: "The burden of the sorrow is well nigh intolerable."

The funeral was attended by the Rev. Ian Paisley, leader of the Democratic Unionist Party, and Mr. James Molyneaux, leader of the official Unionist Party. There was a wreath from Mr. Gerry Fitt, the Catholic Independent Socialist MP for West Belfast.

At another funeral, three volleys of pistol shots were fired over the coffin of 21-year-old Mr. Emmanuel McLarnon, of the Irish National Liberation Army.

Miss Julie Livingstone, a 14-year-old schoolgirl, was buried at a quiet family funeral in West Belfast. It has been claimed she died as a result of a head injury caused by a plastic bullet.

Mr. Francis Hughes, the second IRA hunger striker who died in the Maze Prison, was buried at Bellaghy, a small village in South Londonderry.

● Margaret van Hattem writes: Mrs Margaret Thatcher, the Prime Minister, yesterday reaffirmed the Government's determination not to concede on IRA hunger strikers' demands for political recognition. Writing to Cardinal Tomas O'Fialch, the Irish Primate she rebutted charges that the Government was "inflexible."

"We cannot yield on the issue of political justification for murder and violence and of prisoner of war status for those who commit such crimes," she said.

● Mr. David Steel, the Liberal Party, and two Liberal spokesmen on Northern Ireland, Mr. Stephen Ross and Lord Hampton, will visit Ulster during the Whitsun recess.

Support urged for British defence manufacturers

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WHEREVER POSSIBLE the Government should try to keep its defence equipment purchases in the UK, rather than seek overseas deals, so as to avoid any erosion of the industrial defence base.

The Commons Select Committee on the Defence Estimates, in its report issued yesterday, says that this is "particularly important in areas of high technology."

The committee's report, intended to guide MPs in their consideration of the Defence Estimates and the Government's current review of defence equipment spending, makes it clear that it feels that British industry should be supported where possible.

Particularly, the committee mentions the British Aerospace Sea Eagle missile and the Sea King helicopter replacement. But there are other important areas, such as heavyweight torpedoes.

This does not, however, preclude greater international collaboration on defence projects, and the need for greater standardisation in Nato, especially where the projects involve a substantial degree of UK participation.

One such defence programme which is viewed with particular favour by the committee is the U.S. McDonnell Douglas AV-8B Advanced Harrier, in which the UK would get a big share.

"Provided that the U.S. Administration goes ahead with its planned procurement, there are strong grounds for Britain also choosing the AV-8B. It would be a joint project which would be worth more than £1bn to the UK.

"We therefore agree with the line of argument which the Government appears to be following (in favour of the AV-8B), so long as it is clear that British Aerospace will be able to retain the capacity to develop a supersonic VSTOL (vertical and short take-off and landing) successor aircraft, and can collaborate on satisfactory terms on future developments."

The committee wants an early decision on a Jaguar jet strike-trainer replacement aircraft. "The longer it takes to agree the design of the replacement aircraft, the more the in-service date will slip.

"If the present indecision continues, the most likely result will be overwhelming pressure for an off-the-shelf purchase by the Ministry of Defence from the U.S., probably for the F-18.

Second Report from the Commons Defence Committee: Statement on The Defence Estimates, 1981; 302; SO, £5.

Hire purchase rules eased for teletext TVs

By Guy de Jonquieres

THE GOVERNMENT is to relax the hire payment and rental regulations for TV sets equipped to receive viewdata and teletext electronic information services.

Mrs. Sally Oppenheim, Minister for Consumer Affairs, told the Commons yesterday that that the move, which does not apply to ordinary TV sets, was intended to stimulate the development of the market for the services.

The minimum hire purchase deposit for the sets will be cut from 20 to 10 per cent of the purchase price, while the minimum rental period will be cut to 13 weeks from 26.

Viewdata sets are designed to receive Prestel, the computerised public information service operated by the Post Office. Teletext sets receive the BBC's Ceefax and ITV's Oracle broadcast news services.

Both types of set cost more than basic TV receivers, and there is evidence that their high prices have dampened consumer demand. This is particularly true of viewdata receivers, which can cost twice as much as colour televisions.

About 10,000 viewdata sets are in use in Britain, the majority in business, and about 100,000 teletext receivers have been installed.

BR £5 day return offer expected to raise £3.3m

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

BRITISH RAIL expects to increase its revenue from passengers by £3.3m in the next 12 months as a result of its latest low-price ticket offer, a £5 day return fare covering up to four adults and four children.

The £5 fare will be the total cost for the eight passengers provided at least one holds a British Rail family railcard. These cards cost £10, are valid for a year and normally allow four adults to travel at half price and four children to travel at £1 each.

The only condition is that at least one adult and one child travel in the party. The £5 offer is valid for just over a fortnight from May 24 to June 7.

British Rail sold 84,000 family railcards last year and a further 60,000 so far this year bringing in an extra £1.44m.

British Rail has previously introduced a series of cut-price offers, including the £1 "go-anywhere" fare for holders of senior citizens railcards, which attracted many new passengers.

In March, BR offered a free rail journey for holders of its young persons railcards. As a result, 48,000 extra £10 railcards were sold, boosting revenue by almost £500,000.

British Rail is confident that the latest offer, giving card holders and their families access to Britain's entire rail network, will encourage families to take out 30,000 more cards this year.

● Some railway passenger services, particularly in rural areas, withdrawn on economy grounds may be reintroduced on an experimental basis as a result of a Private Member's Bill which was given an unopposed Third Reading in the Commons yesterday.

The Transport Act 1962 (Amendment) Bill approved by MPs yesterday relieves British Rail of the requirement to satisfy a public inquiry and to go through other costly statutory processes if a reopened passenger service has to be closed again.

Wine officials label Welsh bottles illegal

BY ROBIN REEVES, WELSH CORRESPONDENT

A BREACH of EEC wine regulations has been rooted out in Cardiff by the Common Market's British agents, the Wine Standards Board and Weights and Measures Board.

Unknown to Eurocrats wine merchants Philip Morgan and Son have been doing a brisk, but illegal, trade in Wales in a pleasant, light white wine called Calon Lan. The wine is a blend from different EEC countries.

The company's offence was to label the wine in Welsh only, contrary to articles 3(6) (C) and 46(1) of regulation (EEC) no. 355/79. These lay down that Euroblends must be labelled "in the language of the member State in which the wine is offered to the consumer."

Unlike its sister language, Irish, as far as the EEC is concerned, Welsh does not exist. Thanks to officials of the Wine Standards Board and the Weights and Measures Board, this breach of EEC law has now been exposed and dealt with.

EEC officials visited the premises and ordered the Welsh language label to be accompanied by an English translation of the words "wine from different countries of the European community."

Mr. Paul Morgan, managing director of the wine Company, said he had withdrawn all stocks of Calon Lan from sale, pending an appeal.

However, Mr. Morgan has also agreed to his case being taken up by one of Wales's more persistant lobbying organisations, the Welsh Nationalist Party, Plaid Cymru.

Houses warning

PRIVATE OWNERS of Airey houses and local authorities were warned yesterday by the Department of the Environment that checks should be made for structural defects which may be "a possible risk to safety in extreme circumstances."

Israel to buy 3.75m tonnes of British coal

By Maurice Samuelson

BRITAIN will deliver its first coal to Israel this year under an agreement to supply up to 3.75m tonnes over the next five years.

The agreement, which has been under negotiation for several years, was signed in Tel Aviv yesterday by the National Coal Board and Israel's national coal supply corporation.

A 30,000-tonne vessel will take the first consignment from Immingham, on the Humber, to Haifa for use in the new coastal power station at Hadera. Later shipments will be unloaded at the power station, 30 miles south of Haifa, where a jetty is being erected.

Last week, Britain won an order to supply 200,000 tonnes of coke to the Romanian steel industry.

While insisting that it will not make a loss on the Israeli deal, the Coal Board is expected to drop its prices to bring them closer to those of Australia, South Africa and the U.S., Israel's other principal suppliers.

Some ordnance factories may be sold

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE POSSIBILITY of some of the Government's Royal Ordnance Factories being sold off to private enterprise is being studied by the Ministry of Defence, as part of the overall review of defence spending.

A report from a study group on the future of the factories has been passed to Mr. John Nott, Secretary for Defence.

Although its contents are not being revealed, it is understood that it contains a range of options for the future of the factories, including either selling some off entirely to private industry, or a partial "privatisation."

Many companies in the UK and overseas have shown interest in acquiring some of the factories. This is especially true of the electronics companies, and particularly the Blackburn factory, which is involved in electronics.

There are 12 factories of which two are managed by industry. They are mainly involved in the manufacture of armoured fighting vehicles, ammunition, guns, small arms, engineer equipment, explosives and propellants.

They are also making an increasing contribution to design and development. Collectively the factories employ 21,100, but this is expected to be reduced to about 20,600 by April 1, next year.

The recent Defence White Paper said that although 39 per cent of the output by value from the factories in 1979-80 was for export, "the continuing effect of the loss of the Iranian market, coupled with difficult trading conditions abroad and an unprecedented level of unrest over pay, have led to disappointing trading results in the year."

'Drug problem' among N. Sea divers

A DEAD North Sea diver's diary again became the centre of the diving bell deaths inquiry in Aberdeen yesterday. After an extract was read, Mr. Donald Cox, a diving supervisor, said that had he known what was written he probably would not have allowed the diver to dive.

Earlier Mr. Cox, who was aboard the diving vessel Wildrake at the time of the accident, told the inquiry he was "very aware" of a drug problem among North Sea divers.

A further extract from the diary of Mr. Richard Walker, an American, was read out, despite objections by Mr. Reg Christie, representing the dead divers' families.

Mr. Walker and Mr. Victor Guiel died on August 8, 1979, in their diving bell near the Thistle Field platform, north-east of Shetland.

Mr. Strath MacKenzie, for Wilhelmsen Marine Services, the Wildrake's owners, asked Mr. Cox if he was aware of the use of drugs or stimulants on the Wildrake. Mr. Cox said he was not aware at the time, but in general terms "very aware."

September opening for gold futures market

By John Edwards, Commodities Editor

THE PROPOSED London gold futures market will start trading on September 7. This was announced yesterday by by the company formed especially to launch the market by London bullion brokers and the London Metal Exchange.

Announcement of a starting date comes after considerable criticism of the long delays in working out details of the market, which will be the first gold futures contract in the European time zone.

It will also be the only sterling contract for gold trading in hte world, although there is considerable pressure to change to a dollar contract.

Gold futures will provide an opportunity for much wider participation in gold trading since normally only a 10 per cent margin is required. The market is expected to attract considerable support in Britain and on the Continent, as well as Middle East countries in the same time zone.

Mr. R. Gibson-Jarvie, previously executive secretary of the London Metal Exchange, has been appointed in a consultative capacity to help the launch.

Deaths problem

POLITICIANS had little to contribute directly to reducing the toll of death and injury in the workplace, Mr. John Locke, director of the Health and Safety Executive, told industrial safety experts in London yesterday.

"Much precipitate, largely useless and extremely expensive action" could be taken on a minister's initiative, following a major accident.

Mr. Locke said he had spent a lot of time persuading ministers not to insist on immediate measures of uncertain effect following major disasters. The "slow, grinding process" of finding ways of reducing the toll of injury or death was not one to which ministers could make such a personal contribution.

Shipbuilders post

MR. PHILLIP HARES has been appointed full-time board member for finance at British Shipbuilders. He replaces Mr. Maurice Elderfield, who left last November.

Mr. Hares was Mr. Elderfield's deputy and was the expected choice as successor. He joined the corporation in 1977.

TV chief quits

LORD WINDLESHAM will stand down as managing director of ATV Midlands before it takes over the independent television franchise for the East and West Midlands at the start of next year.

Lord Windlesham, who told the ATV Midlands board that he wished to "broaden his interests in the future," will remain an executive director of ATV Midlands and managing director of ATV Network until the end of the year. He continues as a director of ATV's parent company, Associated Communications Corporation.

Casinos judgment

JUDGMENT was reserved in the High Court yesterday on the appeals by Lonrho and Grand Metropolitan against the cancellation of gaming licences of casino companies they bought from the Coral group.

Last Scots car

THE LAST car from Scotland's last car factory — a blue Talbot Sunbeam—rolled off the production line yesterday.

Between now and the official closure of the company's Linwood plant next Friday the 4,800 workforce will be paid off and receive their redundancy settlements.

London airport shut as civil servants stop all flights

BY PHILIP BASSETT AND JOHN LLOYD

AIR SERVICES to and from London's Heathrow airport were halted again yesterday as part of the Civil Service pay dispute, while executive civil servants joined clerical staff in what could be another battle in the service, this time over new technology.

Air traffic control staff took action for seven hours at Heathrow and Gatwick. Heathrow was shut, with the loss of all services, but at Gatwick, where the unions had claimed 50 per cent support, the Civil Aviation Authority said all traffic was being handled.

The CAA pointed out, too, that air traffic staff at Stansted airport had not been called out yesterday, unlike previous occasions. The CAA said air traffic staff at Stansted had previously consistently ignored strike calls.

The Council of Civil Service Unions will tomorrow announce where air traffic staff will take action on Monday.

In a separate development over the Government's plans to introduce more new computerised systems in the Civil Service, the executive-grade Society of Civil and Public Servants at its annual conference in Blackpool yesterday overwhelmingly approved a motion of non-co-operation with such projects.

A similar decision was taken earlier this week by the largest union, the Civil and Public Services Association.

Mr. Campbell Christie, SCPS deputy general secretary, told the conference that the Civil Service Department "would be ruthless in trying to introduce new technology. We will have to take action where it will be most effective."

Talks between the Council of Civil Service Unions, representing all nine unions, and the CSD broke down earlier this year after the department's refusal to negotiate on a shorter working week. Mr. Christie told the SCPS conference that the shorter week was the only way to protect jobs.

A document presented to conference lists a large number of projects about to be instituted which will now be blacked. Mr. Christie said there would be no new technology in the service until members shared in its benefits.

The CSD said last night that they would await a response from the council following the unions' conferences.

Chapple defeats critics at union conference

MR. FRANK CHAPPLE, right-wing leader of the Electricians' Union, fought off criticism at his union's conference in Blackpool yesterday.

He was accused of "collaborating" with the Conservative Press and supporting an "enemy of the trade union movement." His executive was told it should not drag the union's dirty washing on to the front pages of the Tory tabloids.

In a robust speech, Mr. Chapple defeated a motion of criticism, but without his usual overwhelming majority.

Mr. Tony Germain, Barry, South Wales, said: "When the TUC called a day of action in May, 1980, Brother Frank had an article in the Daily Express. The heading was 'Make no mistake, this is the road to dictatorship.'

"He was not referring to Mrs. Thatcher taking us on the road to dictatorship, he was referring to the TUC action."

Mr. Germain said the Daily Express referred to the TUC's day of action as a "day of shame."

Mr. Chapple, a former Communist and now an ardent anti-Communist, said: "In respect of the day of action for which I have received criticism, that was something that was brought about by pressure from within the union.

"We had thousands of members saying 'when is our union going to say we are not going along with the day of action, when is our general secretary going to say something about that?'

"I was forced to say something publicly by membership pressure."

9.1% deal in drug industry

By Nick Garnett, Labour Staff

A PAY DEAL giving a rise of 9.1 per cent on the basic rate has been agreed for 13,000 manual workers in the pharmaceutical and fine chemicals industry.

The settlement, which lifts the basic from £66 to £72 was arranged by the Chemical Industries Association and three unions — the Transport and General Workers' Union, the General and Municipal, and the Union of Shop, Distributive and Allied Workers.

The association has offered a rise of 7.3 per cent on basic rates in the main chemical industry wage negotiations. It said yesterday that the size of the settlement reflected the fact that pharmaceuticals had not been hit as hard by the recession as chemicals and some other industrial sectors.

Under the settlement, two-shift pay is being raised by 50p a week, three-shift by 80p and night-shift by £1.50 a week.

Pay for canteen and office cleaners will now be covered by the industry's joint industrial council with these workers on a basic rate of 95 per cent of the process workers' basic. The deal also involves improvements in annual holiday pay.

Poll plan on Labour contest

By Our Labour Editor

THE BIGGEST white-collar union affiliated to the Labour Party proposes to allow all its members—whether they pay the political levy or not—to express their views on whom the union should support for the deputy leadership of the party.

But the final decision as to how the Left-led Association of Scientific, Technical and Managerial Staffs votes would be entrusted to the union's delegates at the party conference.

This course of action will be proposed by the ASTMS executive, which met in Blackpool yesterday on the eve of the union's annual conference.

Mr. Clive Jenkins, general secretary, said yesterday the executive's decision was influenced by "obscure legal judgments in this field." He said the executive was nonetheless still of the view that there should be no contest for the deputy leadership this year.

The opinion of the union's 16 divisions will not be sought until after nominations for the deputy leadership close in August.

Pottery workers accept 7%

POTTERY WORKERS in North Staffordshire voted by a narrow majority yesterday to accept a 7 per cent pay offer. Members of the Ceramic and Allied Trades Union balloted over the improved offer passed it by 12,776 to 12,609.

The union turned down an earlier offer of 5 per cent. The employers, the British Ceramic Manufacturers' Federation, increased the offer by a further 2 per cent, but said that they could not afford any more.

With the threat of redundancies still over an industry which has lost 8,000 workers in the past year, the union has settled for what it calls a "common-sense" settlement.

Stiff fines after factory sit-in

FINES totalling £5,150 were imposed at the Court of Session in Edinburgh yesterday on 51 workers who had been occupying a Glasgow factory for the past four weeks.

The men appeared for contempt of court by twice refusing to come to Court to explain their action in sitting-in at their employer's premises, Bestobell Insulation, at Whiteinch, Glasgow.

Occupation of the factory ended yesterday. The dispute, which led to the occupation, is over work being carried out on a £60m emergency oil-support vessel being built at Scott Lithgow in Port Glasgow.

Laggers said work was being given to boilermakers instead of members of the Transport and General Workers' Union.

Reprieved pit 'must close'

NEW HUCKNALL Colliery, Notts, reprieved in the miners' "Save the Pits" protest, is due to close in September next year, the National Coal Board disclosed yesterday.

The colliery employs 579 men. The National Union of Mineworkers protested against the NCB list of 21 pits for closure, and in February the list was withdrawn. The NCB said that because of coal exhaustion New Hucknall still had to close, though a year later than originally planned. "Every man from the pit will be found an alternative job in the surrounding pits," it said.

Two other collieries on the original closure list in Wales and the North-East have also re-entered the list.

THE WEEK IN THE MARKETS

Shares beat a two-week retreat

LONDON

ONLOOKER

The two-week account which ended yesterday is probably best forgotten. The best that can probably be said for it is that the last two sessions each saw net daily gains but the mood is vastly different from the air of heady enthusiasm which closed the previous, three-week, account.

At that stage the FT Industrial Index looked poised to burst through 600 and was handily placed at 597.3. It closed yesterday at 561.0, up 2.9 on the day, but down 36.3, or 6.1 per cent, over the fortnight.

The surge in transatlantic interest rates dulled sentiment which was further weakened by the dawning realisation that industry was passing round the hat in a big way. The rights issue queue, moreover, looks fairly dull for the best part of the summer.

Perhaps the best illustration of the market's changing mood was its reaction to misfortune, real or imagined, within its own ranks. The announcement during the Easter account that a leading broker, Hedderwick Stirling, had been "hammered" hurt confidence, as it was bound to do, but share prices quickly recovered their breath to make further advances. The hint last week that two further firms might not be able to comply with their bargains, and it was no more than a rumour, was taken badly.

Prices started to move forward yesterday and the day before it but mostly for technical reasons. Bears sought to close their positions (there was no rights issue yesterday, for once) and dealers reported a reasonable level of new-time buying. The list of major companies reporting next week is long and may well produce several more rights issues which could prove demanding from an underwriting point of view. There is no doubt that market can absorb the prospective cash calls, but it will not leave much margin to set the Index back on its way to its 600 target.

Rights rush

The long-mooted flood of rights issues has finally occurred in the past two weeks with big issues from such companies as Cadbury Schweppes (£57m), European Ferries (£36.5m), Barratt Developments (£22.5m) and Jefferson Smurfit (I£15.7m).

So far this month, almost £170m has been raised in rights issues compared with £115m in April and only £125m in the first quarter.

The ingredients for a growing stream of rights issues have been present for some time. The rigours of the recession have meant that many companies have needed to strengthen their balance sheets, and share prices have moved up sharply in the past few months.

The FT 30-share index rose more than 25 per cent in the first four months of 1980 to an all-time peak of 597.3 on April 30. Since then the market has been falling, partly in response to the increasing supply of rights issue paper.

At first glance, the surprising thing is that the surge of rights issues did not happen sooner. However, the market was busy in the first quarter digesting other forms of equity issues, notably the big £150m offer for sale from British Aerospace. Midland Bank statistics show that £502.8m in new ordinary share capital was raised in the UK in the first four months of 1981 compared with £853.6m in the whole of 1980.

The queue of companies planning to make rights issues is said to extend for another couple of months and although the stock market is down there are no signs yet of indigestion among the underwriters.

However, there are still very few issues from the hard-hit heartland of British industry where share prices are still depressed. Many big companies, such as Guest Keen and Nettlefolds, have to resort to closures and disposals to relieve the pressure on their balance sheets.

Composite downcycle

UK composite insurance groups operating in the North American market are faced with a poor year in 1981. This conclusion is inescapable following the first quarter results, published during the past few days by Commercial Union, General Accident and Royal Insurance. CU and GA are well and truly on the downcycle in the U.S. with little prospect of improvement before the end of the year. CU lost £18m and GA almost £6m on the quarter, nearly triple that of first quarter of 1980. Royal held up remarkably well in the U.S. for the first quarter, but a deterioration is expected for the whole year.

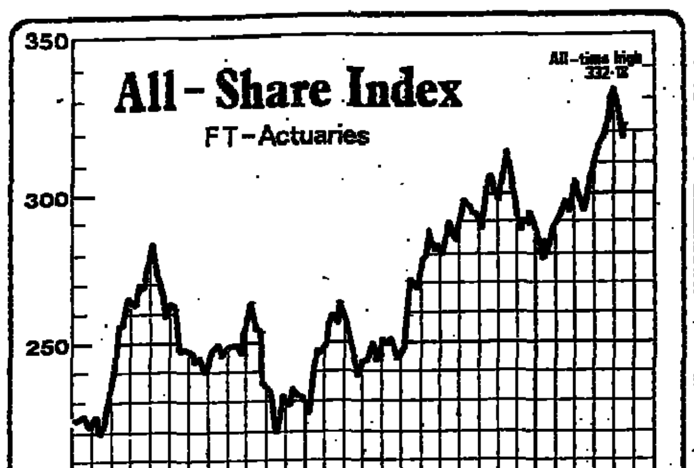
Conditions in Canada can only be described as diabolical, with underwriting losses soaring and little signs of realism yet returning to the market. CU and Royal both have Canadian operating ratios approaching 130 per cent.

Recovery in North America is not expected until next year at the earliest, and the only bright spot in the first quarter results is provided by the UK where conditions at present are favourable to insurers. A mild winter and falling fire losses have resulted in domestic and commercial fire accounts recording good results—profits for CU and Royal and much reduced losses for GA. But these favourable conditions are likely to attract keen competition from insurers eager to expand their share of a static market. GA is already suffering having only increased its UK premium income by 1 per cent in the period.

The outlook implies profits reduced by as much as 20 per cent for the U.S.-orientated composites, but much better prospects for those with a strong UK base.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1980-81 High	1980-81 Low	
F.T. Ind. Ord. Index	561.0	− 8.3	597.3	446.0	Cont'd. lack of demand
F.T. Govt. Secs. Index	66.86	− 0.17	70.61	66.39	Interest rate uncertainties
Boustead	145	−33	187	97	Fading bid hopes
Cadbury Schweppes	85	− 9½	101	68	£56m rights issue
Central Pacific Mins.	105	−30	415	80	Weak oil-shale stocks
Collins (Wm.)	245	+60	245	122	Bid of 200p from News Int.
Comm. Bnk. of Australia	360	+75	425	110	Bid from Bnk. N.S. Wales
Comm. Bnk. of Sydney	405	+45	405	188	Merger talks with ANZ
Downing (G.H.)	208	+50	208	117	Bid from Hanson Trust
ICL	38	− 6	70	32	Board changes/bid hopes fade
Letrasec	79	−16	107	79	Losses at S. Gibbons subsid.
Meekatharra	400	+60	430	275	Coal discovery
Mercantile House	790	+132	790	535	Acquisition of R. J. Rouse
Messina	320	+20	335	165	Recent interim statement
News International	101	−12	133	88	Sun newspaper price cut
Paringa Mining & Expln.	68	+ 5	70	42	Hampton Areas bid
Polymark Int.	133	+19	160	70	Bid approach
St. Gobain	950	−225	£12¼	900	French election result
Tube Investments	188	−18	240	158	£10m first-quarter loss
Wheeler's Restaurants	403	+33	403	240	Demand after chairman's death



Hedderwick's deficit

Creditors of Hedderwick Stirling Grumbar, the stockbroking firm which collapsed last month, have learnt that it is likely to show a deficit of about £1m—the difference between its £14.1m of assets and £15.1m of liabilities. But stockbroking firms are not limited liability companies, so the shareholders—that is, the 22 directors—are liable for the deficit to the full extent of their personal assets. In this case they are said to total £1.3m, a modest £59,000 apiece. So Hedderwick should be able to meet all its obligations in full.

In a real sense, therefore, Hedderwick was not insolvent when it was "hammered" on April 10. It even apears that had it not been about to be taken over that day by Quilter Hilton Goodison, the stockbroking firm headed by Mr. Nicholas Goodison, the Stock Exchange chairman, the collapse might not have occurred.

Hedderwick was "hammered" because National Westminster refused to honour its cheques that day on the grounds that the firm would be ceasing trading ahead of the merger and could therefore not have credit extended to it.

Be that as it may, most of the 6,000 private clients of Hedderwick, owed about £5.3m on the day the firm went under, will be covered by the Stock Exchange's Compensation Fund. The procedure follows tradition: jobbers involved in the individual deals will get in touch with the clients who will then, superficially, be asked to Compensation Fund steps in at that point and covers the customer for the price or stock at the value fixed on the day of hammering. The fund then becomes a creditor of Hedderwick. The process, however, could take as much as two months before the fund pays out.

Collins cornered

THERE is rarely a dull moment when Mr. Rupert Murdoch is on the scene. On Wednesday his UK company, News International launched a surprise bid worth £22.75m for Glasgow-based publisher William Collins.

The full-scale takeover bid followed Mr. Murdoch's purchase of a 30.4 per cent stake in Collins from Mr. Jan Collins, the family chairman. But no sooner had News International bought the shares than other Collins directors were demanding Mr. Collins's head.

Mr. Collins stepped down as chairman after the group's annual meeting. Meanwhile, the Collins board got its advisers J. Henry Schroder Wagg on the job and strongly advised shareholders not to sell their shares to News International.

Collins has had some difficult times in the last few years, in common with other UK publishers. But the company, which includes Fontana Paperbacks and a host of best sellers like Alistair Maclean and Jack Higgins in its stable, has now turned the corner and is headed back into reasonable profitability.

The drama was complicated by a shareholding in Collins owned by Mr. Robert Maxwell, the head of Pergamon Press. Mr. Maxwell immediately increased his stake to around 10 per cent, but is reported to have taken no further action.

Off with the blues

NEW YORK

PAUL BETTS

IT HAS been an odd sort of week in the New York stock market. Interest rates continued to climb—the prime went up to 19.5 per cent on Monday. The Wall Street gurus, the captains of industry and leading New York bankers stuck to their gloomy prognostications on the general outlook for interest rates. The latest economic data continued to convey mixed signals on the state of the economy as a whole. Retail sales in April were down but industrial production was up.

In normal circumstances, and circumstances are by no means normal in Wall Street these days, the combination of these factors would be expected to depress the market even further. But somehow the stock market managed to shrug off its blues and, by the middle of the week, the mood had turned to one of cautious optimism. In turn, the Dow Jones industrial average started picking up some of the ground it has lost in recent weeks and brokers in general seemed a little more cheerful.

"It is clearly too soon to talk about a breakaway market. But things are not quite as gloomy as they were and I would not be surprised to see the Dow edge up to the 1,000 level again in coming weeks." Ms. Hilde Zagorski, of the Wall Street house of Bache, remarked yesterday morning.

So what is changing the market's bearish sentiments? The main reason is that many now feel that interest rates are reaching a peak and could start coming down again.

The airlines in particular have been at the centre of the stage in recent sessions, in spite of their depressed first quarter earnings figures — Pan Am reported a record first quarter loss of $114.5m—and a 10.6 per cent decline in domestic passenger traffic, the airlines seem to have regained some popularity. "It is quite simple, one Wall Street broker said. "The airlines become attractive when fuel costs look to be lower. In turn, when the airlines move up the oils go down."

The moderation in energy costs reflected in a series of moves by leading U.S. oil companies to reduce by $2 a barrel the price they pay for a variety of U.S. crude oils this week is also encouraging expectations of lower consumer price inflation rates. This has clearly not gone unnoticed in the market helping to restore moral on the longer term outlook on the domestic economy.

For oil stocks, of course, lower oil prices are bad news. Since the dramatic change in U.S. consumption and demand patterns for oil products, the downstream earnings of major oil companies, whose stocks were the outstanding performers of 1980, have been badly hurt.

Yet the bargain hunters are now turning once again to the energy issues. They seem to be taking their cue from the pronouncement of the chief executives of leading oil conglomerates, like Exxon and Shell, among others, who have been addressing their company's annual meeting this week. Mr. Clifton Garvin, chairman of Exxon, said he felt the decline in downstream earnings had now reached bottom and expected a recovery in the second half. Mr. John Bookout of Shell Oil said much the same thing.

The "special situations" also attracting some market interest are the continuing rash of takeovers and business combinations involving a number of large U.S. and Canadian companies. Allied Corporation, the large diversified chemicals group, announced this week it was buying for $358m Bunker Ramo, the fast growing major of electronic connectors. Allied has also negotiated a new $2bn revolving credit arrangement with leading American and European banks

Troubled International Harvester, which is trying to restructure $4.9bn in outstanding loans, agreed to sell its solar turbine division for dollars 505 million in cash to Caterpillar Tractor.

Amax, the large mining and metals concern, also made some impressive gains. In two consecutive sessions, the stock put on more than $7. Once again, there are rumours that Standard Oil of California, whose latest $3.89bn bid for Amax was rejected by the mining and metals group, is preparing to put together a new more attractive offer.

MONDAY	963.44	−12.96
TUESDAY	970.82	+ 7.38
WEDNESDAY	967.76	− 3.06
THURSDAY	973.07	+ 5.31

China's golden future

MINING

GEORGE MILLING-STANLEY

THE EXCELLENT annual survey of trends in the worldwide gold market published by London's Consolidated Gold Fields was available last year in translation into French, Spanish, Italian, German and Arabic as well as in the original English.

Thsi year's report, Gold 1981, published this week, is available for the first time in Mandarin Chinese, in addition to the other languages. This is most appropriate, in view of the fact that it contains a wealth of information on gold production in the People's Republic of China.

This year's report, Gold 1981, tracted from a report prepared by executives of Consolidated Gold following their two visits to the country in 1979.

It includes a survey of the structure of the gold mining industry in China, and an analysis of the industry in Shandong province based on personal observations by the Consolidated Gold team. This detailed analysis covers geology, mining methods, metallurgical processes and a production summary.

Shandong is on China's east coast, and has an area similar to that of Great Britain.

The executives visited five mines and two prospects in Shandong. There are known to be at least two more mines in operation or in the course of development in the province, as well as 20 or 30 smaller gold operations run by local communes and county organisations.

Annual output from the five operating mines visited is estimated at 95.102 troy ounces or 2.96 tonnes of gold, to give a final production figure of 2.9 tonnes a year after small losses at the smelting and refining stages.

Gold 1981 estimates that the bringing on stream of the two prospects visited, expansion plans at the existing mines and improvements in the treatment process could boost annual output by almost 200 per cent to a total of 8.5 tonnes.

With the inclusion of the mines not visited by the Cons Gold team, the company estimates 1979 production from the Shandong province at between 9 and 11 tonnes, with the potential to expand during the 1980s to a maximum of about 17 tonnes annually.

To put this in some sort of perspective, it would put China roughly on a par with the present position of Australia, which in 1980 was the sixth largest gold producer in the non-communist world.

Turning to the outlook for the gold price, Mr. David Potts, group executive for gold with Cons Gold and the author of the report, repeats his belief that the metal is on a strongly rising but volatile trend.

Mr. Potts stressed that this trend is of a long-term nature, and in his judgment it could be a considerable period of time before the historic peak of $850 an ounce, recorded in January last year, is bettered.

We are currently in a bear market for gold, and as yet it is not possible to calculate what the lowest price in the present downward part of the cycle will be. That will only become clear once we can be sure that the bear market has ended, and the price is once again moving up towards a new record level.

Mr. Potts points out that the last bear market, which took the price from its previous historic high of $197 an ounce late in 1974 to a low of $103 in August, 1976, lasted for 20 months. The current downward movement has so far only lasted since January, 1980, or about 15 months, and could still have some way to go.

He adds the caution that five years elapsed between the two peaks of $197 and $850.

There are two main planks of Mr. Potts's belief in a rising trend for the bullion price. These are that inflation is likely to remain high, and the small amount of new gold coming onto the market each year in relation to the huge amount of investment funds looking for a reasonably secure home.

Mr. Potts feels that some commentators have misunderstood the significance of political crises and their effects on the gold market, which he believes will be mainly influenced by inflation rates prevailing at any particular time.

"Political crises of the type which affect the gold market may occur from time to time, and they may accentute or reduce but not materially alter the response to inflation," he says.

This year's survey pays much more attention to dishoarding, or sales from private-sector gold holdings in response to a high gold price. Dishoarding played a major role in the price declines which followed the two historic peaks, according to Mr. Potts.

He makes the point that dishoarding did not make its presence felt until quite late in the last upswing in the gold price towards $850.

"If the process is repeated during the next upswing," he says, "then the selling is unlikely to start until the price has reached $850."

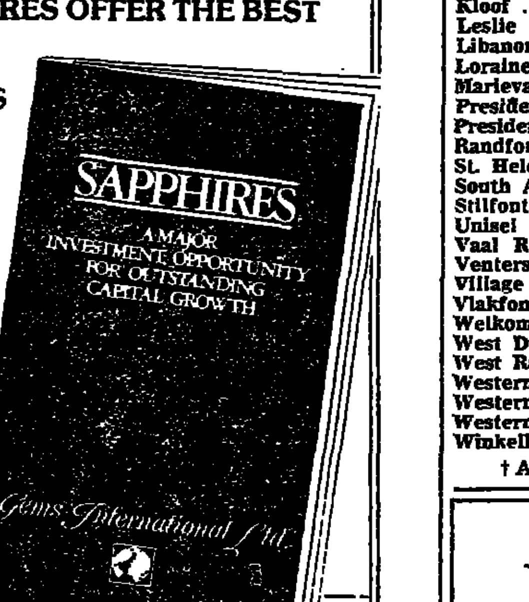
At this time last year, Mr. Potts said that while the amount of dishoarding was a matter for pure speculation, it could be enough to delay the inevitable march of the bullion price beyond the $1,000 per ounce level for perhaps as much as four years. There can have been nothing to make him change his mind in the past 12 months.

Much more will be learnt about the phenomenon of dishoarding on Monday, when Mr. Timothy Green, who acted as a consultant in the compiling of Gold 1981, will be tackling the subject at a conference to be held in the Guildhall, London. The conference is sponsored by Cons Gold and the Government Research Corporation of Washington.

GOLD MINE NET PROFITS

	March quarter R000s	December quarter R000s	September quarter R000s	June quarter R000s
Blyvooruitzicht	17,457	19,983	23,072	20,722
Bracken	1,871	2,704	3,916	2,852
Buffelsfontein	23,944	34,367	32,105	28,386
Deelkraal	3,694	6,690	4,461	2,021
Doornfontein	14,469	22,220	15,623	14,620
Durban Deep	4,137	10,007	6,994	5,857
East Daggafontein	60	197	46	165
East Driefontein	46,510	56,999	59,120	48,480
ERGO	19,406	24,389	27,168	22,960
East Rand Pty.	8,509	18,210	12,404	10,684
East Transvaal	1,961	2,560	2,640	3,085
Elandsrand	683	2,556	11,172	10,531
FS Geduld	37,662	44,962	57,923	47,258
FS Saaiplaas	1,056	6,529	9,403	5,737
Grootvlei	4,304	6,333	7,615	5,502
Harmony	28,846	33,720	34,887	31,827
Hartebeest	31,181	35,359	39,633	36,265
Kinross	7,893	9,099	10,405	8,686
Kloof	34,573	41,891	40,011	34,937
Leslie	2,283	3,289	3,159	2,639
Libanon	11,245	12,341	12,750	14,753
Loraine	†777	2,732	6,061	2,934
Marievale	413	1,070	1,253	1,071
President Brand	33,384	40,500	60,288	43,402
President Steyn	25,895	33,773	42,971	34,142
Randfontein	28,731	47,494	38,410	30,995
St. Helena	14,625	19,340	21,848	16,830
South African Land	988	1,782	902	1,266
Stilfontein	10,202	14,127	17,562	13,192
Unisel	11,654	14,309	13,934	9,985
Vaal Reefs	63,655	123,085	90,089	82,866
Venterspost	3,634	5,635	5,008	6,096
Village Main	311	341	851	—
Vlakfontein	552	807	618	773
Welkom	10,310	12,802	14,215	10,689
West Driefontein	43,706	52,943	55,078	54,026
West Rand Consold.	†440	†2,981	†2,253	†2,941
Western Areas	14,514	35,481	26,070	17,177
Western Deep	43,613	73,047	65,685	61,519
Western Holdings	28,982	29,643	36,271	31,493
Winkelhaak	13,314	16,372	19,341	14,444

† After receipt of State aid. ‡ After State aid repayment.



UNIT TRUST AND INSURANCE OFFERS

Hambro Life
10 years of unit-linked assurance 1971-1981

OUTSTANDING CONSISTENT PERFORMANCE OVER A DIFFICULT DECADE.

On 1st May 1971, Hambro Life launched the Hambro Managed Fund (and the companion Property and Equity Funds) as the investment medium for its new range of investment and pension plans.

At the time of the launch, Hambro Life publicly stated its firm conviction that:

1. In a world of continuing inflation, unit-linked investments–rather than investments guaranteed in terms of shrinking money values–offer the public the best prospect of protecting the real value of their savings.
2. The object of investment managers should be to achieve *consistent, long-term* results rather than sharp growth in one year at the risk of being followed by an equally sharp fall the following year.

While past performance is not necessarily a guide to future performance and unit values could rise at a slower or faster rate, or could fall, especially over the shorter term, Hambro Life believes that the results achieved over the past 10 years provide considerable support to its belief in unit-linked assurance and its commitment to consistent long-term investment performance.

1. LUMP SUM INVESTMENT

A person who invested £1,000 in a Hambro Life single-premium Bond on 1st May 1971 could have cashed it in on 1st May 1981 for:

Managed Bond.........£2,615
Property Bond.........£2,432
Equity Bond.........£2,644

For a basic rate taxpayer, this represents a *compound* rate of return, *after all taxes and charges*, of:

Managed Bond.........10.1% p.a.
Property Bond.........9.3% p.a.
Equity Bond.........10.2% p.a.

Building Society Comparison

By comparison, if the person had invested £1,000 in a building society account, and reinvested the interest, the account would have grown to £2,149. (To allow for the higher return available on building society term shares, this has been calculated on an interest rate ½% higher than the B.S.A. recommended rates over the period.)

The profit of £1,615 produced by the Hambro Managed Bond over the ten year period is *41% greater* than the compound interest of £1,149 produced by a building society account. (For a higher rate taxpayer, the comparison would be even more favourable.)

Hambro Life does not suggest that Investment Bonds are always an appropriate substitute for building society investment: for example, building society investment is more appropriate for short-term investment and a person's "emergency money" should always be held in a fixed-capital, interest-bearing form such as a building society account, but these figures show the considerable advantage of long-term investment in a well-managed Investment Bond over the past ten years.

2. TEN YEAR REGULAR INVESTMENT PLAN

A person who invested £50 a month in a Hambro Life 10 Year Investment Plan from 1st May 1971 could have cashed in his plan on 1st May 1981 for:

if linked to Managed Fund.........£10,540
if linked to Property Fund.........£9,648
if linked to Equity Fund.........£11,062

This represents a compound rate of return, *after all taxes and charges*, but *before allowing for tax relief* on the contributions, of:

linked to Managed Fund.........10.9% p.a.
linked to Property Fund.........9.2% p.a.
linked to Equity Fund.........11.8% p.a.

Withdrawal Plans

If the Hambro Life plan holder takes advantage of the Withdrawal Plan and chooses to withdraw 7½% p.a. of his fund, he can draw £790 p.a. in cash, *free of all taxes*, and the cash-in value of his fund of £10,540 will remain intact so long as the Hambro Life Managed Fund continues to grow at the rate of at least 7½% p.a.

Comparison with With-Profits Endowment Policies

A survey in the May 1981 issue of *Money Management* magazine shows the results on 10 year *with-profits* endowment policies issued by 71 life assurance companies, *maturing on 1st February 1981*. The proceeds of the Hambro Life 10 year plan linked to the Managed Fund shown above are:

- 6% higher than the best-performing with-profits endowment.
- 12% higher than the average of the Top Ten performing with-profits endowments.
- 22% higher than the average proceeds of the 71 with-profits endowments covered by the survey.

In addition the life assurance cover under the Hambro Life Plan was substantially *higher* than under the best-performing with-profits endowment.

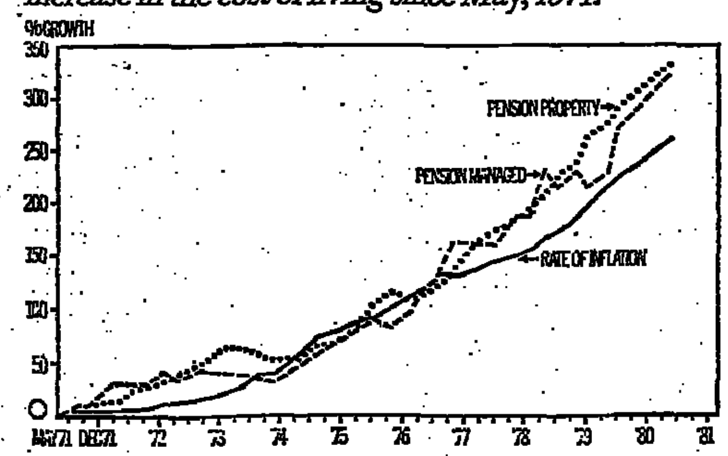
3. PENSION FUNDS

Regular monthly contributions in the two Hambro Life Pension Funds started on 1st May 1971 have over the 10 year period grown at a compound rate of return, *after annual charges*, of:

Pension Managed Fund.........16.2% p.a.
Pension Property Fund.........16.3% p.a.

These figures of actual performance may be compared with the growth rate of 10% p.a. shown in the Company's *quotation forms since 1971.*

The following graph compares the percentage growth in the price of units of the two funds with the increase in the cost of living since May, 1971.



4. PENSION PLANS

A person aged 55 who invested £500 each year from 1st May 1971 in the Hambro Growth Retirement Plan had at 1st May 1981 built up a fund of:

if linked to Pension Managed Fund.........£11,453
if linked to Pension Property Fund.........£11,516

This represents a compound rate of return *after all charges* but *before allowing for tax relief* on the contributions, of:

Pension Managed Fund.........13.9%
Pension Property Fund.........14.0%

Taking advantage of the "Open Market Option" in the Plan to use his fund to buy the best annuity available in the market, he would have received the following benefits:

a cash lump sum of £4,206 and
a pension for life of £1,214 p.a.

The quotation issued to him by Hambro Life in 1971 projected a cash lump sum of £2,340 and a pension of £780 p.a.

Comparison with With-Profits Personal Pension Policies

A survey in the May 1981 issue of *Money Management* shows the fund built up on *with-profits* personal pension policies taken out on 1st January 1971 and maturing 1st January 1981, with 35 traditional life offices. The fund built up on a Hambro Life Growth Retirement Plan, linked to the Pension Managed Fund, taken out on 1st May 1971 and maturing on 1st May 1981, was:

- 8% higher than for the *best-performing* with-profits policy–and
- 27% higher than the *average* of the with-profits policies in the survey.

HAMBRO LIFE is a member of the LIFE OFFICES' ASSOCIATION–

whose members:

1. account for 90% of all ordinary life assurance business in the United Kingdom.
2. subscribe to a code of Selling Practice designed to protect the interests of the consumer.
3. agree to limits on the rate of commission to independent advisers, so that it is not an influencing factor in recommending a particular company.

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Britain's largest unit-linked insurance company.

HAMBRO LIFE ASSURANCE LIMITED, 7 OLD PARK LANE, LONDON W1Y 3LJ.

TOTAL ASSETS NOW EXCEED £1,200 MILLION.

YOUR SAVINGS AND INVESTMENTS—1

An honorarium as income

I received a cheque for a job I did. The sum involved was described as being for outgoings, plus an honorarium. Is this to be described as income for tax purposes, and if so under what head? Can I claim expenses, such as a proportion of heating and rates on my house?

The honorarium will be assessable under case VI of schedule D, and your inspector is unlikely to dispute the deduction of reasonable expenses not eligible for reimbursement as outgoings.

Covenant to a stepchild

Could you please tell me if a step-parent of an unadopted minor child is treated as a parent by the Inland Revenue for the purpose of covenants?

Yes: a covenant to an unadopted stepchild is caught by the tax rules, in the same way as a covenant to a child of one's own. The catch is in the definition of "child" in section 444 (1) of the Taxes Act, as amended.

Letting paddock for grazing

I am writing to seek your advice about a proposed "letting" of a paddock which adjoins my garden.

I have heard about agricultural tenancies but do not know how they are created or avoided. Is it correct that if I allow the farmer to fertilise the paddock that he is then deemed to be cultivating the land and thus have created a tenancy?

You can let for grazing only *for periods of less than a year* e.g. 360 days. It is more prudent not to allow any fertilizing of the land and cultivation must be prohibited.

Redemption of chief rents

Could you tell me if the compulsory redemption figure for chief rents, which I believe used to be £2, has been changed? What is the multiplier for redemption.

The compulsory redemption figure has not been changed. The appropriate multiplier is a matter for valuers to advise on.

A loan from a brother

Like the enquirer to whom you replied on January 3, I am to borrow from my brother for major repairs to a house and wish to claim tax allowance on the interest that I shall pay. You say that if the brother lives abroad, the tax position is different. My brother lives abroad and I in Aberdeen; can you explain the tax position, please?

It is a pity you did not say where your brother lives. If he is resident in one of the eighty or so countries with which the UK has double taxation agreements, the particular agreement *may affect the position*: the rules vary from one agreement to another.

From the free booklet IR11 (Tax treatment of interest paid), which is obtainable from most tax inspectors' offices, you will see that your proposed *loan may not be eligible for tax relief in any event.*

If the purpose for which the money is borrowed (and applied) does, however, qualify under the arbitrary rules outlined in the booklet, you will only actually get tax relief if:

(a) the loan agreement is expressed to be subject to Scots law; and

(b) you deduct basic-rate (30 per cent) tax from each payment of interest.

If your brother is eligible for relief from UK tax (or for credit against his local tax bill), you should send him a tax certificate with each interest payment: the appropriate forms of certificate, R185, are obtainable from your tax inspector.

Payment of VAT on building work

I refer to your recent replies concerning the charging of VAT on building work. I am having a new door put in an outside wall and it is agreed that VAT does not apply. In doing this work central heating pipes and electricity cables have to be moved and VAT is to apply to these specific jobs. Both piping and wiring are relatively new so there is no question of repairs or maintenance and I maintain that as this is part of the new work or at least alterations associated with new work VAT should not apply. Do you agree?

In our opinion the work involved in moving pipes and cables should be zero rated. It seems clear that the service rendered in connection with this work is supplied in the course of altering a building and accordingly no VAT should be charged.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Redress for a fall

A lady slipped and fell and hurt herself on a grease/oil patch left by cars illegally parked on a pedestrian roundabout. Has she any legal redress against the Council for not effectively preventing this illegal parking?

There may be a cause of action against the highway authority for nuisance or failure to maintain the highway. This would not depend on the legality or otherwise of the parking which you describe, although that is a cause of the accident.

A right to park

I live close to the village church and have agreed with the vicar to allow cars to park on my land once or twice a week for about an hour. By allowing this can the owners of the cars claim a right to park after some ***length of time?***

Although there is some doubt about whether a right to park cars can exist as an easement on its own there is some risk that a right might be acquired after a sufficient lapse of time (20 years). You should obtain from the vicar a written acknowledgement that the parking is by your licence only and does not constitute prescription.

Limit of golden handshakes

My employer, a private individual, proposes to make an ex-gratia payment of £20,000 to me on my retire*ment after 35 years' service.* Could you please tell me if this would be taxable in my hands, or would it fall within the new limit of £25,000 for "golden handshakes"?

It is not quite clear whether (a) you have already retired (i.e. before April 6) or whether (b) your employer has told you about his proposal in anticipation of your retirement.

If (a) you retired before April 6, the first £10,000 of the proposed payment should escape tax, and possibly a higher figure (under the standard-capital-superannuation-benefit rules). *The taxable excess* would be eligible for top-slicing relief. The date of the actual payment makes no difference.

On the other hand, if (b) you retired after April 6 or have not yet retired, the whole of the £20,000 may be taxable without any relief. You may like to write to the Inland Revenue Public Enquiry Room, Somerset House, Strand, London, WC2R 1LB, asking for a copy of the press release of March 10 entitled "Payments on termination of employment: Budget proposals," together *with the accompanying statements of practice* (SP1/81 and SP2/81). The further press release entitled "Payments on termination of employment" issued on April 3 may also interest you.

We cannot answer your final question without knowing a lot more facts. If your employer is in business and he obtains income tax relief for your golden handshake, he should have no CTT bill either.

Terry Dodsworth in Paris looks at the franc under pressure

Why the British tourists can smile

BRITISH TOURISTS to France (and for that matter, Germans and Americans as well) may almost be as pleased as Mrs. Margaret Thatcher about the fall of President Giscard d'Estaing. The French franc is under pressure and is likely to remain that way for some time.

The main psychological factor *disturbing the markets* is the exit of M. Raymond Barre, the roly-poly Prime Minister who was labelled the best economist in France by President Giscard when he appointed him four years ago. M. Barre has made defence of the franc the lynch-pin of his economic policy. Profoundly influenced by West German economic management, he has aimed at reducing import costs by keeping the currency strong, while forcing industry to adapt to producing higher quality products for exports.

These policies would have been under pressure even if President Giscard had been returned to the Elysée. It has become increasingly clear in the last few weeks that he would have had to do an inflationary deal with the much more expansionist minded Gaullists: and the market has taken note of that by gradually pushing the franc to its EMS floor against the D-Mark.

But the problem now is that France is heading into a political vacuum. When M. Francois Mitterrand, the Socialist leader, takes over as President next week, the country will be mobilising for the Parliamentary elections in which he hopes to get a Left majority. With the Right forging a powerful new alliance, however, no-one knows whether he can do it. Yet the future of economic policy depends on whether he has to deal with a hung Parliament or not and that answer will not be given until the elections at the end of June.

In the meantime, therefore, considerable uncertainty will *remain* on the exchange markets, although dealers are divided as to how much pressure will be created. Some feel that interest rates will have to be forced even higher, following the vertiginous increase in the last two weeks, when the key Treasury Bill discount rate has gone from 12.5 per cent to 18 per cent. The Bank of France also has big reserves to throw into the breach—some $28bn, without counting its $40bn of gold reserves—although it will be naturally unhappy to keep spending.

More seriously fo rthe franc, there are a number of longer-term factors working against it. The first is the high U.S. interest rates, which are expected to remain for some time and drain investment from the franc.

The second is the feeling that the D-Mark was oversold in the winter, and that the West German economy could show improvements in the months ahead. Compared with last November, when the French helped with a rescue package for the D-Mark, the pressure is all in the opposite direction today.

Thirdly, France will continue to run a heavy balance-of-payments deficit this year because of oil and other raw material imports; and finally, inflation, now running at 12.5 per cent against 13.6 per cent last year, is expected to continue at a high level, eroding the franc's value against the D-Mark.

These inflationary pressures could well be increased, economists argue, if the Socialists manage to push through *their* ambitious plans for raising the minimum wage and cutting the working week to 35 hours.

Some dealers believe these factors will force a devaluation of the franc within the EMS before the summer is out. But whether that *happens or not, the franc should* remain a cheap buy for holiday-makers over the longer term—unless M. Mitterrand has some real surprises in store for us.

In spite of the activity in the dealing rooms, however, the money markets were a picture of serenity last week compared with the Bourse. The wave of sheer panic which gripped investors on Monday was a reflection of their failure to read the Presidential elections right.

This reaction was perfectly logical in the sense that the result suggested that M. Mitterrand could get a good enough *Parliamentary majority* to press ahead with his more controversial plans, including large-scale nationalisation. What was not so reasonable was the wholesale selling sentiment which forced every stock into suspension on Monday and a large number on Tuesday.

On Wednesday, when some buyers came back, the Bourse presented the paradoxical spectacle of having to suspend *some stocks* because demand had conversely turned out to be too great.

Of course, during the great debacle on Monday and Tuesday, when the floor of the market was in uproar and all the great names of French industry were being chalked down as though their chairmen had made off with the till, conspiracy theories abounded. In particular, the finger of suspicion was pointed at the so-called "gendarmes," the Government-controlled Caisse des Depots and the 30 or so big institutions, many of them also Government controlled, which can effectively control a market as narrow as Paris's.

Why, it was asked, did they not intervene? Because, came the answer, they wanted to let the market slip and scare those elements of the Right who had deserted in the Presidential contest to get back in line for the Parliamentary elections.

That may or may not be a sound reading. But the fact remains that the Bourse is right in considering that a Socialist Government would not pursue such favourable policies towards it as the previous administration.

For the time being, however, emotions have calmed. The Bourse is almost normal again, though with prices on average about 15 per cent down on the final index of 109.8 published a week ago.

With the Right rallying together to give the Left a harder run in the second round, there are feelings that all is not lost.

Thieves' pickings

FIGURES ISSUED recently by the British Insurance Association show that there is no recession in burglary. And thieves' pickings from private homes are increasing.

According to the BIA, its member companies last year paid out £75.6m on claims arising from thefts in private homes, more than 50 per cent up on payments made in the previous year. Theft claims from commercial premises were 37 per cent higher at £26.3m, while payments for claims on goods "fallen off the back of a lorry," that is goods in transit, actually declined 9 per cent to £6.4m.

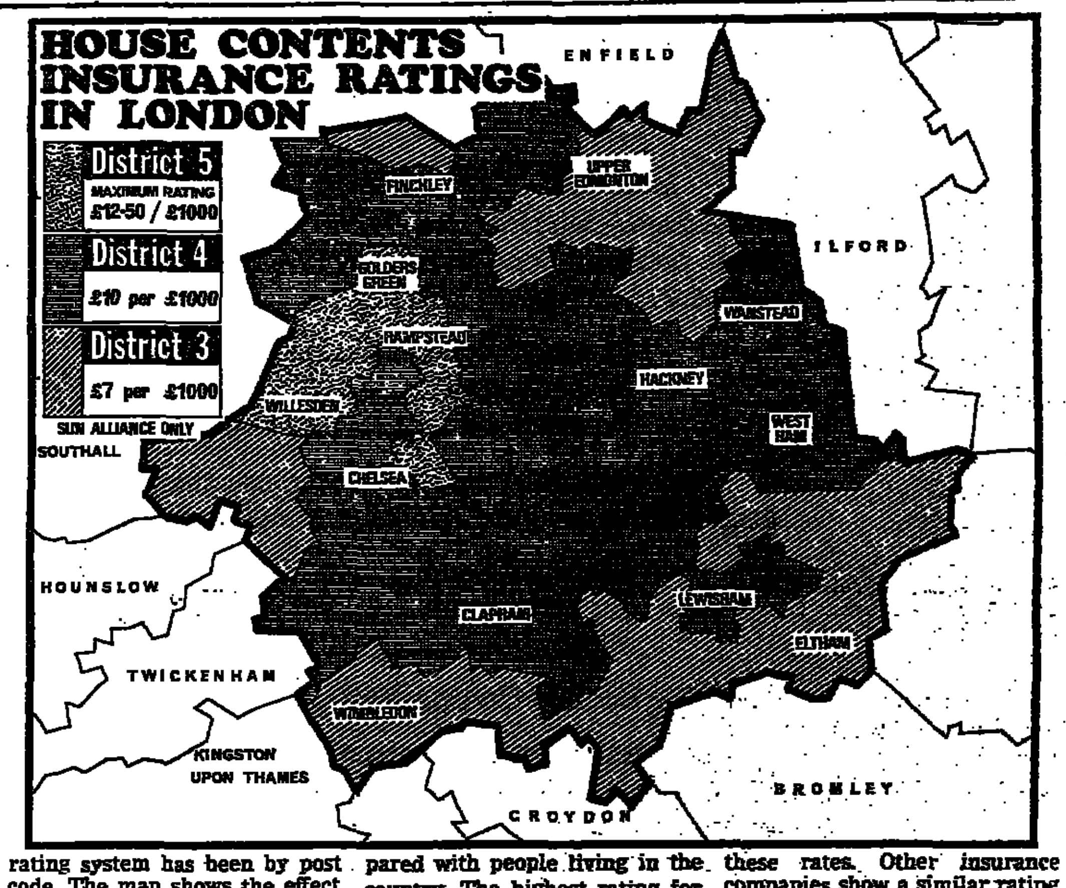
The reaction of the insurance companies is predictable. With claim costs rising faster than inflation, they have little option but to put up their basic premium rates. Index-linking of sums insured and premiums, now universal, is insufficient by itself. So in the past couple *of years, we have seen companies* put up their basic rates after keeping them steady for many years.

The companies, however, have not stopped there. They have been making an in-depth analysis of theft patterns throughout the country and as a result have radically revised their premium rating structures for house contents insurance.

The Sun Alliance Group, the leading company for domestic insurance is typical and now has five rating areas ranging from certain high risk areas in London to the lowest risk in rural areas. Not surprisingly, the highest risks occur in the most affluent districts of London and the major cities.

Such areas are bound to attract thieves with the prospects of a good haul. The *analysis shows that thieves tend* to operate in city centres, presumably for ease of transport compared with the country areas.

The claims investigations made by the insurance companies tended to be based on post codes, since this makes the *analysis amenable to computer* treatment. So the consequent rating system has been by post code. The map shows the effect of Sun Alliance's new rating system on the London postal district, with such areas as Hampstead and Golders Green being very high risk areas and getting the maximum rating District 5.



INSURANCE

ERIC SHORT

The areas surrounding the London post code fall into the District 3 rating, except for Harrow, part of which is the higher rated District 4 and one small part—post code HA6 is in the maximum rated District 5.

Outside of London, Liverpool *and Manchester are the highest* rated cities, most of Liverpool and the central area of Manchester coming into District 3. Certain areas of Liverpool and much of Manchester fall into the lower District 2.

Under Sun Alliance's new rating people living in London *are paying at least double* for their contents insurance compared with people living in the country. The highest rating for standard cover on a replacement "new-for-old" basis is £11 per £1,000 sum insured against £3.50 per thousand for rural districts and provincial towns. The Sun Alliance Home Insurance offers the option of accidental damage cover on top of standard cover and the key to the map shows these rates. Other insurance companies show a similar rating pattern.

Meanwhile what can the public do to deter the thief? The BIA has issued a leaflet entitled "No Place Like Home—For Thieves" setting out simple precautions for house-*owners to take. This leaflet is* available free from the BIA.

YOUR SAVINGS AND INVESTMENTS—2

Tim Dickson looks at charities and the new tax incentives

A boost for generosity

A NEW meaning has been added this year to the phrase "charity begins at home." With profits still under severe pressure from the recession, company contributions to charitable causes have inevitably been trimmed. But thanks to clauses in last year's *Finance Act*, which came into effect this April, the tax incentives for individual donations have now been significantly enhanced.

The 1980 Finance Act contained two separate measures which between them represent the biggest boost for charities for many years.

Both relate to the charitable covenant, which is easily the best way for an individual to demonstrate sympathy for a good cause. In return for a covenant to give regularly, the Government allows charities to reclaim tax on any contributions at the basic rate. In other words, £70 a year from the donor is worth £100 in the hands of the charity, the balance provided by a cheque from the Inland Revenue.

Examples to nearest £ of net annual cost to donors:

Annual Gift	Actual cost to higher rate taxpayers after relief on tax over basic rate 50%	60%	75%*	Received annually by charity inc. tax refund
£	£	£	£	£
100	71	57	36	143
200	143	114	72	286
300	214	171	108	429
400	286	229	143	572
1,000	715	572	358	1,428

* 75% includes 15% investment income surcharge.

The first concession in last year's Act was a reduction in the minimum period required for a covenant to qualify for tax purposes from "at least six years" (effectively seven) to "at least three years" (*effectively four*).

Many associated with fund raising, felt that seven years was too long. During times of economic uncertainty, in particular, they pointed out people are not always prepared to make this sort of commitment.

The Chancellor's decision, which took effect in 1980/81 was therefore extremely welcome. Mr. Tony Ringer, Appeals Adviser to the National Council of Voluntary Organisations, claims his members already have evidence that more covenants are being made as a result.

The other concession, however, is potentially more important. For from the financial year 1981/82 donations through charitable covenants will attract relief at the benefactor's highest marginal rate of income tax, including the 15 per cent investment income surcharge, instead of simply at the basic rate as previously.

Unfortunately the arrangements are somewhat complicated and unless donors understand the new rules themselves the objects of their favour will not benefit. What happens is that the charity will still reclaim tax at the basic rate but individuals who pay higher marginal rates can reclaim for themselves the difference between their own top rate and the basic rate. In other words, if action is not taken to increase contributions the benefactor, rather than the charity, will cash in on the Chancellor's generosity.

A look at the accompanying *table illustrates* the point. Before April 6 the net cost of a £300 donation to a 75 per cent taxpayer would have been just that and the charity would have received a total of £429 (£300 plus the basic rate of 30 per cent). This year the same individual can give £300, the charity will still end up with £429, but the net cost to him will be a much reduced £108.

What the charities hope is that high-rate taxpayers will adjust their contributions upwards. The Chancellor has estimated that the new relief could be worth very roughly an extra £30m.

Losing money by staying put

PENSIONS

ERIC SHORT

ONE OF the most important factors for employees changing *jobs should* be the transfer of pension rights from old to new employers. Employees can lose out heavily on their ultimate pension by not staying put, an important issue when the Government is keen to encourage job mobility.

The Occupational Pensions Board has been wrestling with the problem for three years and last week its main findings were announced in Parliament by Mr. Patrick Jenkin, Social Services Secretary. In order to pass judgment on its recommenda*tions, it is best to consider the* present position.

When a person changes jobs with at least five years' service from April 1975, he is entitled to a preserved pension in respect of years of service since that date based on his salary at the time of leaving. Consider a man aged 45 on April, 1978, leaving his employer in April, 1988, on a salary of £15,000 is entitled to a preserved pension of 10/60ths of £15,000, that is £2,500 at age 65. It is assumed that the scheme gives a pension of *1/60ths of salary* at retirement at age 65 for each year of service. This preserved pension is laid down in one piece of legislation.

In a subsequent piece of legislation, an employee changing jobs is entitled to have the equivalent of the earnings-related part of the State pension, known as the Guaranteed Minimum Pension (GMP) revalued in line with earnings—most employers bear 8½ per cent of the revaluation costs. In our example, assuming for simplicity that conditions remain static, the GMP entitlement is £1,110.

Of the £2,500 preserved pension, therefore, the GMP portion of £1,110 as calculated by Legal and General Assur*ance is revalued in line with* earnings. There is, however, no obligation for the employer to revalue the non-GMP portion of £1,390. Indeed, most employers offset their share of the GMP rise by cutting into the non-GMP portion. The employee never gets less than £2,500 pension at 65, but the employer makes sure that he does not get much more. This process is known as "franking" the non-GMP pension.

The employee who stays with the company, on the other hand, automatically *gets* his pension accrual revalued in line with earnings—thus the early leaver loses out to the stayer. The OPB deliberated long on this fairness of principle and decided it was wrong to treat early leavers differently from stayers. To employees changing jobs this discrimination is patently unfair. But the OPB found that *the traditional view of pensions* as a reward for long and loyal service is still widely held by employers.

When the OPB made practical recommendations to correct the injustice, however, it fell far short of implementing the principle. The majority of the Board recommended that the non-GMP pension should be revalued each year by earnings up to a ceiling of 5 per cent each year—poor protection after a decade when earnings increases have not fallen to single figures. Justice demands, however, that the non-GMP should be revalued in line with earnings, just as the GMP portion.

Lord Brimelow, chairman of the board, is well aware of the shortcomings of the board's solution. If its proposals had applied during the 10-year period 1971-80 when earnings roughly quadrupled, a preserved pension would have been increased by only 63 per cent.

A minority of the board went further and recommended that the revaluation should be in line with earnings, but added that if there is to be a limit, then it should be not less than 8½ per cent each year.

Why has the board appeared to lack the courage of its convictions? The answer is simply because in a real world, it cannot ignore the cost of its proposals. For employers to carry the burden of a statutory revaluation in line with earnings could bankrupt many companies. Employers have the final sanction of winding-up a pension scheme and leaving employees to the State and the recommended level, as a statu*tory minimum, is one which the* board feels employers could bear. The solution is a pragmatic compromise.

But that is not all. The board has also recommended that there should be no degree of retrospective benefit in implementing its proposals. So assuming the Government accepts the report, the revaluation would only apply to pensions earned after a given day for the proposals to become operative. Consider the example shown.

For simplicity it is assumed that the revaluation comes into operation on April 1983, a highly optimistic assumption, a preserved pension of £1,250 On that date the employee has of which GMP accounts for £549, leaving £701. So at April 1988, the employee has a pension of £2,500 of which £1,110 is GMP and revalued in line with earnings, £689 is revalued at 5 per cent and £701 is left alone and may even be franked.

Lord Brimelow told the annual conference of the National Association of Pension Funds that one consideration of the board was that the requirements should be easy to understand and as simple as possible. The mind boggles at a complex solution.

The board was adamant that it could not recommend any redress for early leavers or those leaving ahead of any operative date The effect of the proposals would not be really felt until the next century. One can only sum up the proposals with "one cheer for the OPB."

But before that cheer is raised, it is sobering that the reaction of the Government was *muted. Mr. Jenkins said that* "at a time when company profits are under intense pressure, it is not easy to see how the extra cost could be absorbed" The Government on one hand is seeking to cut back on all pension costs, while on the other seeking to increase job mobility. The OPB report could yet be shelved.

Glyn Genin

The Rev. Neil Howells, Vicar of Bray

A stake in history

THE PARISH church of St. Michael, Bray-on-Thames, is one of the world's most famous Anglican churches, because of its association with the legendary Vicar of Bray. But now crumbling walls and falling plaster present problems for its survival.

The "Save Bray Church" Appeal—target £125,000—has a charitable status and is one of thousands of similar fund raising efforts which will be made easier by the new tax concessions.

***Roof* and drainage repairs according to the appeal brochure, will swallow up £40,000, work on the belfry £15,000 and external stonework a further £46,000. The church, meanwhile, has no land—prime plots were apparently sold off by various vicars at the end of the last century—and no large funds of its own on which to draw. A 900 year old heritage, however, is at stake.**

Mr. Maxwell Pepper, Treasurer to the Appeal, says donations so far, including the grossed up *total* of covenants amounted to £58,000. "People have undoubtedly been attracted by the new minimum of four annual payments which they have to make to qualify for tax purposes," he adds.

In particular, Mr. Pepper emphasises how significant the sums can be if individuals *take* advantage of *tax* relief at higher marginal rates. He cites the example of a man who was anxious to make a generous once-off donation of £2,500 but who was persuaded instead to enter into a charitable covenant.

His annual gifts will amount to £1,750 on which the "Save Bray Church" campaign will be able to recover a total of £2,500 annually — the contribution plus tax relief at the basic rate. Net annual cost to the donor, however, will only be £625 after he claims relief on *the difference between his top* marginal rate (75 per cent) and the basic rate of 30 per cent. The net cost over four years is still only £2,500 and yet the campaign ultimately benefits to the tune of £10,000 (4 x £2,500).

● Bray's fame stems from the legend of the Vicar of Bray who is supposed to have changed his faith to suit the prevailing theological climate in the 16th century. The Oxford Dictionary defines the Vicar of Bray as a "systematic turncoat," and although he *was not the only one to do so* at the time he seems to have achieved immortality through a ballad written in the reign of George I. The song, in fact, starts with Charles II and James II, and goes through the reigns of William, Anne and George I, when having changed his religion the vicar changes his politics *and finally becomes a Whig.* As the local church history observes, there were either two vicars who acquired the same reputation living 100 years apart; or more likely, the unknown author of the ballad used the original story (in Fuller's *Worthies*, first published 1662) as a peg on which to hang his satirical story.

Tim Dickson

Chequemate

THE NEWS that Barclays Bank is poised to introduce charges on cheques cashed at its branches by customers of other banks is likely to reverberate through the retail banking *sector. Details of the levy and* when it will come into effect are expected to be announced soon.

As things stand, any personal *customer of say the Midland can* walk into any branch of say the National Westminster, produce a cheque card and write out a cheque up to the amount specified on the card. No charge is made. The same customer can also pay money through a NatWest branch into his own Midland account and, if he wishes, settle bills at a NatWest branch through the banks' credit transfer system—all for nothing.

These reciprocal services have been offered by the UK clearers for years.

Before the early 1970s the big high street banks provided free reciprocal services for business and personal customers. Although those with extensive branch networks obviously had to put up with a proportionately higher "reciprocal" workload, they agreed to call it quits.

Cost consciousness ultimately ended this arrangement and formal agreements about services for business customers were entered into about eight years ago. Personal customers were unaffected. Effectively what happened was that the banks *collectively agreed to pay* each other a set amount for major credit transfers carried out on rivals' behalf. For example, if Sainsbury paid £5,000 into a branch owned by bank A for transfer into its account at bank B, bank A charged bank B a standard fee for its trouble. In practice these charges were waived below *a certain minimum and the costs* were not always passed on directly to customers. They became a basis, however, for negotiating business customers' individual bank charges.

The next development came when these agreements—known as the Interbank Agency Services Tariff—were registered with the Office of Fair Trading under the 1976 Restrictive Practices Act. Behind the scenes the OFT told the banks that their agreements did constitute a restrictive practice and that unless they were dropped the case would have to be tested in the Restrictive Practices Court.

Rather than risk this course, the banks decided voluntarily to end them and time was given for a whole series of bilateral arrangements to be negotiated. These will come into effect on June 1 when Midland will have its own tariffs agreement with Barclays, Barclays with National Westminster, Lloyds with Midland and so on.

None of this, of course, is directly relevant to private account customers and the OFT this week strongly denied suggestion that its actions have resulted in higher bank charges for the consumer.

What the banks say, however, is that the OFT intervention has prompted them to reconsider the possibility of introducing *other tariffs*. As one spokesman put it this week.

General considerations include lower interest rates, which reduce the endowment *effect* on current account balances, higher costs and the squeeze on margins resulting from the £400m excess profits tax.

More particularly, in recent months, public utilities such as the gas and electricity boards have begun to baulk at paying charges to the banks for third party credit transfers. They have been lobbying the banks to charge their rivals' customers for this service at the counter.

In addition, it is argued, mail order companies, whose hundreds of thousands of agents scattered around the country use the bank branch network to transfer cash, have had a particularly good deal from the present system.

Midland Bank has already announced that from June 1 it will be charging non-Midland customers 30p a time for payments made by credit transfer. As well as gas, electricity and telephone bills *these include* building society, HP and mail order payments; insurance premiums and payments to local authorities such as rates and rent. The charge, however, will be waived if the money is destined for the account of Midland's own customers.

Barclays' plan, meanwhile, is potentially more far reaching. Reciprocal cheque encashment is a widely used service —branches of the same bank are not always conveniently sited near both home and *office, for example*—and a move by Barclays to introduce cheque cashing charges for other banks' customers is bound to be copied elsewhere.

Others are almost certain to "retaliate" by charging customers who wish to cash Barclays cheques, though under separate agreements it will not necessarily become general practice. At the moment the other clearers are tight lipped.

PROPERTY

Playing the game . . .

BY JUNE FIELD

Let others discourse of the smooth-windy Tay,
Or tell of the charms of the swift rolling Spey
Of the Dee and the Don, the Forth and the Clyde:
But I love the fair Tweed as a bridegroom his bride.

Songs of the Edinburgh Angling club, 1858.

IF YOU went up this weekend to Lord Rootes's place, Glenalmond, 50 miles from Edinburgh Airport, by the Sma' Glen in the Highlands where 120 young men are said to have rested on their way to Culloden to fight for Bonnie Prince Charlie, you would find plenty to occupy your time.

You could admire the magnificent specimen trees in the Arboretum which includes some of the tallest Sitka Spruce in Scotland as well as some fine Douglas Firs and Japanese Larch, shoot roe-deer buck, fish for trout (rainbow and brown), in the loch, or just watch the wild geese and ducks on the flight ponds. It would be best to wait until July for the main run of salmon, which are only just working their way up from the sea into the river Tay before going into its tributary the Almond.

And, of course, it needs to be August 12 before advantage can be taken of the 4,000-acre two-day driven grouse moor averaging 535 brace. Pheasant begin on October 1, with the main shooting in November up until the end of the season, January 31, and red deer stags can be shot from July to October, hinds from November to January, doe from November to February.

"There is something to do on the estate in almost every month except March and April," Mr. Guy Galbraith of Savills says. With Bell-Ingram, his firm is preparing to market the 4,900-acre sporting estate; it includes a sheep and cattle enterprise, and the 12-bedroom, seven-bathroom weathered pink sandstone house completed in 1906 by the first Lord Farringdon, and bought in 1946 by Lord Rootes, father of the present vendor. Asking price is offers in excess of £1.5m.

Brochure from Mr. Galbraith, Savills, 20 Grosvenor Hill, London W1, and Mr. R. Miller, Bell-Ingram, 7 Walker Street, Edinburgh. Already there are three serious enquiries, two of which are from Europe.

"The root of the demand for sport in Scotland is simply the fact that other European countries, not favoured by our traditional policies of game conservation, have become subject to the extreme pressures of modern environment," Mr. Galbraith says. "And in order to find a concentration of wild game laid on by experts, and at a reasonable cost, the sportsman must travel either to Eastern Europe, Spain or the UK. Even Central Africa, once the big game stalking grounds of the rich European, is severely restricted."

Grouse shooting and deer stalking are assessed on the original basis of annual bags which should if possible be for *a minimum of five years*, but preferably for longer, say ten to 30 years. A driven grouse moor today is worth between £400 and £600 per brace, a stalking forest is likely to make between £6,000 and £9,000 per stag. As Mr. Harold Jennings of Strutt and Parker's Hill Street, London, office makes the point, to value sporting assets "it is important to walk a stretch of river, inspect the land and woods of a game shoot, and criss-cross by road, track or foot, or obtain good sightings of a grouse moor or deer forest."

As an average example, on a 7,250-acre mixed sporting estate in the Scottish Highlands, see table.

It has to be noted that the estate is comparatively accessible, but tends to have a high rainfall which somewhat restricts the quality of the sport, particularly the grouse shooting; that the river is subject to spate conditions, and the variety of the sporting rights is a considerable asset.

Mr. Jennings says it should be remembered that most sporting rights and estates are primarily bought for the enjoyment of the purchaser, and not simply as an investment. The net yield on a driving moor or stalking forest is likely to be less than 1 per cent, but a good beat on a well-known salmon river if fully let could be between 2 per cent and 3 per cent, and is considered a good capital investment.

For those who want a modest Scottish retreat, the log-houses of Barend by a loch stocked with trout at Sandyhills, on the *North Solway coast*, Kirkcudbrightshire, appear to offer a trouble-free worthwhile investment. Mr. Frank Gourlay began building the centrally-heated pyramid-shaped three-bedroom houses with broad balconies top and bottom, back in 1975. No nails are used in the main construction, the thick logs being interlocked; intended as permanent structures (in Norway 500-year log houses are not uncommon), they need very little maintenance.

They were first marketed at £8,500 each, and all sorts of people from various walks of life bought them, mostly coming from the south of England, although the development also appealed to people in the Midlands as it is not far from the M6 motorway. One house was given away as a prize by the Manchester Evening News, another man bought four as an *investment and lets them*, the majority bought them as holiday retreats that might later be used for retirement.

Salmon beats on the Rivers Tay, Tweed, Dee and Spey command the best prices, and for a client Strutt and Parker recently received about £375 per rod per week for half a year's letting on one of the best beats on the River Tweed.

But Scotland has a rich variety of game fishing, much of it available for a small outlay. Fishing enthusiasts will delight in a fascinating new book *The Salmon Rivers of Scotland* by Derek Mills and Neil Graesser, which documents the ownership and availability of beats, good "lies" and pools. (Free leaflet from Yana Somerlad, Press office, Cassell, 35, Red Lion Square, London, WC1, who can also organise the book at £11.95 post free after publication May 28).

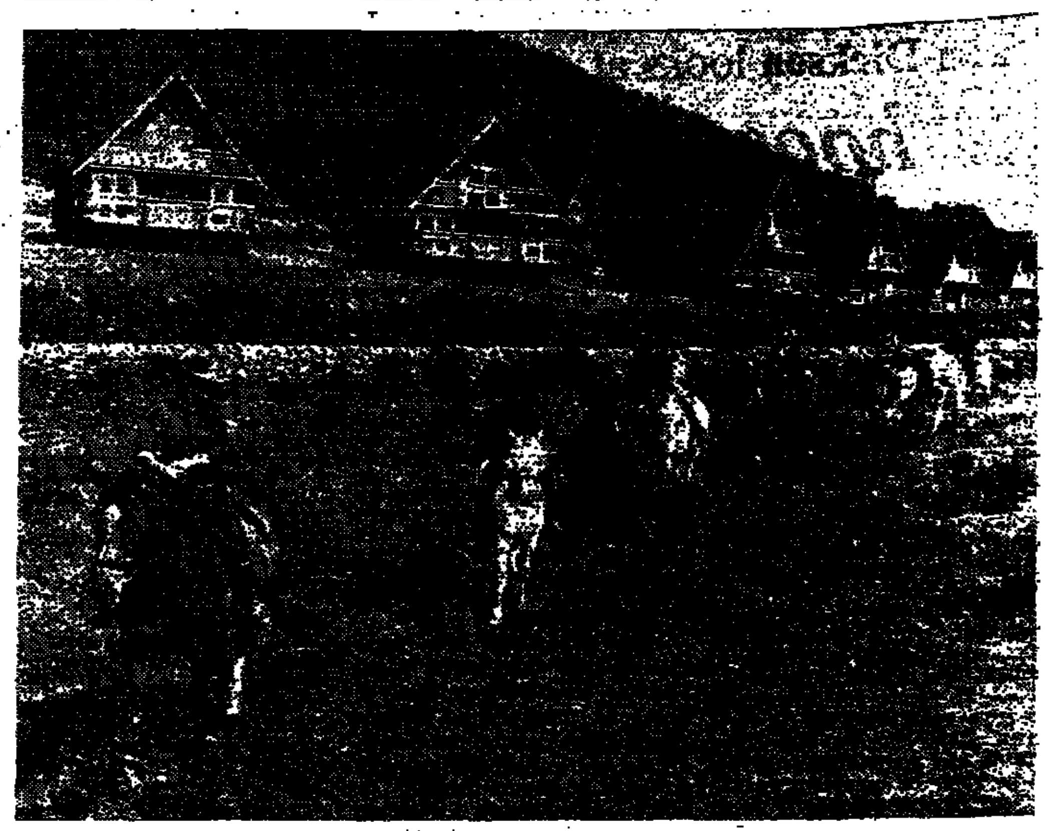
The last three houses of a total of 60 are being offered at £27,500 each, plus £3,500 for full furnishing including everything from colour television to continental quilts. Mr. Justine James, Jackson-Stops and Staff, 14 Curzon Street, London, W1 (01-499 6291), will supply full details and organise a three-day weekend visit.

The income from April 4 to October 31, if fully let, is about £4,200 gross, with a 20 per cent commission charge which covers management; plus insurance, TV maintenance, furniture replacement, laundry, cleaning and so on to be deducted.

I looked at some of the ledger entries for owners for last year, and it is interesting to note that the newer chalets are much more highly insulated than the original ones, and that this has nearly halved the consumption of gas, one of the major items of expenditure. A net figure for one owner, after deductions including VAT, was about £2,300 over part of last year and some of this.

WHAT A SPORTING ESTATE IS WORTH

Grouse shooting—350 brace x £400 per brace	£140,000
Salmon and sea trout fishing—90 salmon x £800 per salmon	£ 72,000
270 sea trout, say i.e. £33 per yard double bank	£ 30,000
Stalking—43 stags x £6,000 per stag	£258,000
	£500,000



Barend, Sandyhills, 359 miles up the M1 and M6 to Carlisle, then the A75 to Dufries, Kirkcudbrightshire, where the last three of a total of 60 three-bedroom, centrally-heated log houses are for sale at £27,500. There is trout fishing in the loch, pony trekking, and the old farm buildings have been converted into a bar and restaurant, which the developer, Frank Gourlay and his wife run. Details Mr. Justin James, Jackson, Stops & Staff, 14 Curzon Street, London, W.1. (01-499 6291).

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GARDENING

Chelsea time

BY ARTHUR HELLYER

NEXT WEEK the Chelsea Flower Show will provide its usual great revue of all that is going on in the gardening world. There will be a private view for members of The Royal Horticultural Society on Tuesday May 19 from 8 am to 8pm and on the following three days the show will be open to the public, 8 am to 8pm on Wednesday and Thursday and 8 am to 5 pm on Friday.

We writers become so obsessed with the spectacular gardens and floral exhibits at Chelsea that the many other aspects of the show tend to be overlooked. Yet no other exhibition provides a more comprehensive display of all the essential accessories of gardening; the machines, hand tools, chemicals and sundries of every conceivable kind that gardeners require. Nor will one find anywhere else a more complete range of greenhouses, frames, garden buildings, furniture, ornaments and pools.

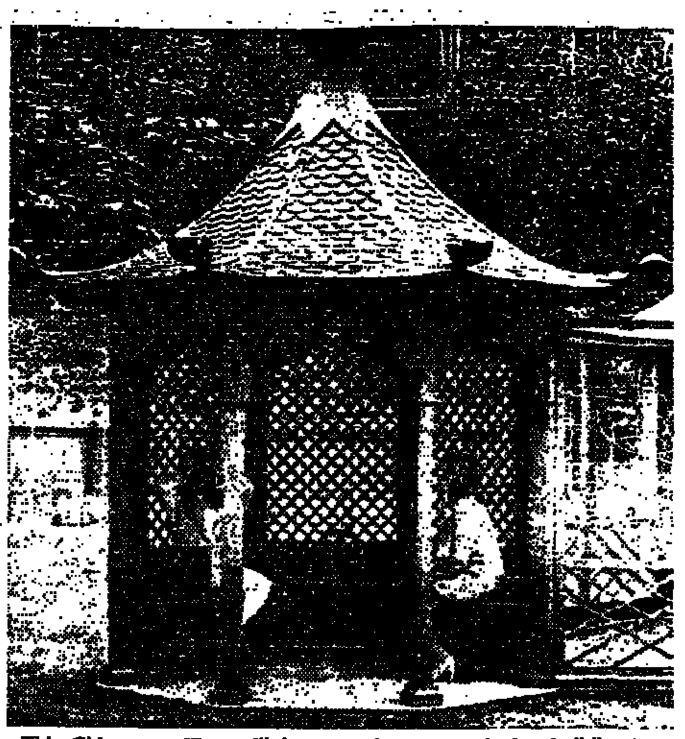
The scientific section, which always gets relegated to the far end of the mammoth 3½-acre marquee, where I fear it is overlooked by many visitors, never fails to produce something that is new and fascinating. This year I shall study with special interest the exhibit of the Glasshouse Crops Research Institute which is concerned with new biological methods of controlling plant pests and diseases. These include a virus which attacks the caterpillars of the cabbage white butterfly, a bacillus which is equally lethal to the caterpillars of the tomato moth and a mould which is harmless to plants but will kill whiteflies, greenflies and blackflies.

But of course it is the gardens themselves and the hundreds of flower exhibits that attract the crowds and the television cameras and steal most of the publicity. The year, so far, though short on sunshine, has not been too difficult for gardeners and there is no question that this year's show will be well up to standard. I am particularly pleased that Notcutts Nurseries are showing a comprehensive collection of climbing plants for, apart from clematis, which Fisks Clematis Nursery will again be showing in quantity, climbers have been neglected in the past.

Notcutts are constructing a series of linked hexagonal courtyards to provide a maximum amount of wall space on which the climbers can be displayed in a natural manner. To complete the illusion of permanence many of the plants have been grown for several years in large containers complete with attached trellis work so that they can be moved into place at Chelsea without disturbing their natural growth.

There will, as usual, be a number of highly spectacular exhibits staged by groups of overseas growers from Belgium, Holland, South Africa, Kenya and Colombia but I doubt that any of them will outshine the very large display of exotic plants which is being prepared by Rochfords Houseplants under the personal supervision of Mrs. Betty Rochford who has a marvellous eye for putting the right plants together. Saintpaulias are to be a big feature this, as they also will be in the exhibit of Tony Clement's Nurseries, but Rochfords also have some interesting new plants including *Hoya multiflora*, a stouter climber than the well known wax flower, *Hoya carnosa*, with similarly formed clusters of flowers hanging below the leaves. Rochfords think highly of it as they also do of another newcomer, a foliage plant with the awkward name *Tupidanthus calyptratus* which is said to resemble the handsome and popular schefflera but to be even bolder in leaf and easier to manage indoors.

A number of new roses are promised though whether they will all be ready in sufficient number on the day remains to be seen. Cants of Colchester hope to have Court Jester their new orange and yellow floribunda which will be distributed for the first time next autumn. John Mattock has a quintette of hybrid tea roses; Derek Nimmo, cherry pink with silvery reverse; Ace of Hearts, crimson scarlet; Keepsake, which has an RNRS Trial Ground Certificate, is deep cerise and strongly scented; Maestro, bred by Sam McGredy and bringing the red and white colouring of his "hand painted" floribundas to the hybrid tea type and Simba, bright yellow. There are also three new floribunda varieties, Wagbi, coppery salmon; Intrigue, so dark a crimson as to be almost black and Painted Star, bright red and pink and recommended for use as a small shrub.



This Chinese pavilion will be one of many gardening buildings on display at the Chelsea Flower Show next week

I always look forward with special anticipation to the exhibits of hardy plants staged by Beth Chatto and Bressingham Gardens since both have a flair for decorative arrangement and always show many plants that are not well known despite their merit. This year Mrs. Chatto is using a lot of good foliage plants including *Symphytum grandiflorum variegatum* and *Brunnera Hadspen Cream* neither of which I have seen but which I expect to be good since they were selected by Eric Smith of hosta and hellebore fame. She also recommends a new lamium named White Nancy, with silvery leaves and white flowers and a Japanese shade lover named *Asarum nipponicum* with cyclamen-like leaves and a rather uncertain reputation for hardiness. For dry gardens she will have the beautiful but scarce pampas grass with yellow striped leaves named *Cortaderia argentea aureo-lineata*.

I doubt that anyone has ever made a special feature of rhubarb at Chelsea before but Cawood Delight is no ordinary rhubarb. It was raised at the Stockbridge House Experimental Station, is notable for its deep colour and excellent flavour and is being shown by Highfield Nurseries who will also have some of the twice grafted apple trees to which I referred last summer after seeing them in Jack Matthews wholesale nursery. The idea is that by grafting a 5 inch stem of the very dwarfing rootstock Malling 9 on to a 10 inch stem of the far more vigorous stock MM111 and then grafting the garden apple on top of both one can combine all the advantages of a large, well anchored root system with a slow growing early maturing apple tree. Just the thing, I would imagine, for small gardens in exposed places.

Swiss delight

TRAVEL

SYLVIE NICKELS

WHENEVER I go to Switzerland there is a gathering of the clan (on my mother's side) which often includes a *gâteaux au beurre* supper at Valangin. The *gâteaux* are of paper-thin pastry, piping hot and soaked in butter, absolutely delicious, but to be avoided like the plague if you are dieting. You can fash them down with one of Neuchatel's slightly sparkling dry white wines, or tea or coffee to taste.

Valangin is a village with a castle, some venerable houses and a lot of rural charm a few minutes' drive through a gorge from Neuchatel, the chief town of the canton (and lake) of the same name. I have a soft spot for the regin, inevitable perhaps since it was here that I spent my first six weeks in this mortal coil.

Caught between its lake and the vine- and forest-covered flanks of the Jura mountains, Neuchatel has a number of trump cards. Not least of them is its distance from the Alps, resulting in views of these which, under the right conditions are unsurpassable. For beyond the lake and the pre-Alps, you can see the whole magnificent rugged, white-created range from Mont Blanc via the Matterhorn to the "big trree" of the Bernese Oberland and further east still. For serious walkers, the high and lows of the Jura have their own appeal for here is variety and, potentially, plenty of challenge without the ultimate demands imposed by the Alps. Throughout the canton 2,200 km of mountain paths are maintained by local associations.

Neuchatel itself is a meeting place for three major human occupations: watchmaking, wine-growing and learning. Its citizens will tell you quite seriously that they speak the best French — and they do not merely mean in Switzerland either! Certainly the timepieces that they and their ancestors have produced are as precise or elegant as any in the world as is to be seen in the remarkable International Museum of Horology at La Chaux-de-Fonds, 23 km from Neuchatel. This fine collection dedicated to time and its measurement is well worth visiting even if you are totally unmoved by the thought of a mainspring.

As for the wines, they accompany as well as form part of the ingredients of a number of specialities (including the cheese-based *fondue* and *raclette*) and provide the theme for Neuchatel's big event of the year, the Grape Harvest Festival, this year September 26-27. This is when decorated floats and music and dancing in the streets briefly inject a measure of razzle-dazzle into this otherwise fairly sedate city: sedate, yet full of charm.

In the old quarters of town, much of which have been made into a traffic-free zone, the cobbled streets wind steeply up to the castle and the Collegiate church which are among the main historic building of the city. There are lots of fountains and window boxes full of flowers, and it's all very photogenic.

Along the waterfront near the main harbour, a new leisure park is in preparation. It's part of a much more extensive shore development by which, in due course, it will be possible to follow a 12 km promenade all the way from the wine-growing villages of Colombier and Auvernier via Neuchatel to St. Blaise at the northern end of the lake.

The wine-growing villages, engulfed by their terraced vineyards, are delightful and now mostly and happily bypassed by the highways that link Neuchatel eventually with Lausanne and Geneva in one direction and Zurich in the other.

Plying the lake are the regular passenger and sightseeing vessels on which you can tour round up to three lakes (Neuchatel, Morat and Bienne) linked by two channels. Neuchatel lake is the largest wholly in Switzerland, but its significance goes far beyond that fact. Almost at the northern end of the lake is a place marked on the map as La Tène. There is nothing much there now except a camp site and a landing stage, but over two millenia ago, a people thrived whose style of life has given the name of La Tène to a whole period of Iron Age culture.

Like nearly all Swiss cities and resorts, Neuchatel offers packages that can be slotted in to a longer itinerary. Depending on accommodation a seven-day package ranges from SwFr 280-SwFr 440 with half-board and all sorts of extras like excursions, free museum entries, a welcome drink and a souvenir. Some four-night arrangements feature special themes such as sail-surfing, sailing, hang-gliding of golf.

THE SWISS JURA
WINE, WATCHES AND NOSTALGIA
SYLVIE NICKELS

Further information: Swiss National Tourist Office, Swiss Centre, 1 New Coventry Street, London W1V 3HG.

MOTORING

It must be next to impossible to make a panel van look beautiful, but at least Renault's new Trafic (pictured below) and Master are different. Their bodies may be as squared-off as tea chests at the rear, but they have a 45 degree slope at the front. As I tried the Trafic over a Cotswold route recently, it was easy to imagine that I was driving an oddly-haped car rather than a mere delivery van.

The windscreen was as remote as it would be in a large saloon, the steering wheel was normally angled and the fascia looked as fashionable as that of a 1981 car. The 1.4-litre engine hummed away reasonably quietly and, while I was in little danger of breaking the motorway speed limit, the Trafic held 68-70 mph and accelerated well. Clearly, it will be an ideal base vehicle for the motor caravan converters. Its front-wheel drive provides a very low floor level and its tight turning circle will be useful on congested sites and in narrow lanes alike. Gearing is low enough to cope with steep hills (including a 1-in-4 near Malvern) and, with a full 12 cwt cargo of sandbags, the ride was even better than it had been when running light.

Understandably the Master, also sandbagged and running at its full gross weight of 3.5 tonnes, felt more lorry-like to drive than the lighter Trafic and one was never unaware of its 2.5 litre diesel. But it handled nimbly enough, rode quite buoyantly over some awful roads and seemed to me a good basis for one of those large, luxurious motor caravans with beds for six and all mod. cons., shower, loo and central heating included.

Prices start at £3,950 for the Trafic, £5,950 for the Master, to which VAT must be added. Renault offer a choice of five engines and a bewildering range of bodies and wheelbases. For the moment, all Trafics and Masters have front-wheel drive but rear-drive versions of both vehicles are promised for later on.

Tyre talk

BY STUART MARSHALL

CAN THE controversy that has blown up over Saab's use of a Michelin space-saving spare tyre on cars they sell in Britain really be justified? "Care on the Road," a monthly newspaper published by the Royal Society for the Prevention of Accidents, thinks they may be illegal, even dangerous. Saab, of course, totally disagree.

Michelin are Europe's largest and most respected tyre makers. Saab's concern with safety verges on the obsessive. For this reason alone it seems improbable that either company would involve itself in anything unlawful or potentially dangerous. In reply to RoSPA, Saab make a number of points.

They say the lightweight spare satisfies all the requirements of their own chassis engineers, irrespective of road and weather conditions. They have proved that a normal driver can easily handle a swerving manoeuvre at the spare's recommended 50 mph maximum speed and took counsel's advice before importing cars equipped with the tyre.

Why use it at all? Because it saves 12 lbs weight and allows tank and boot capacities to be increased. Perhaps their most telling point is that the compact spare has been used on Saab 900s in Sweden since autumn, 1979 and no-one has complained — including the police who use them as patrol cars.

What surprises me is that the controversy should have taken so long to surface. The Michelin lightweight spare has been around for a long time. I first came across it on a Ferrari Boxer at least four years ago. The trend towards the shrunken spare has been well established in the U.S. for even longer than that and now the Japanese are following suit, though not yet for cars sold in Britain.

Volvo have used a lightweight though normal size spare for years on their U.S. market cars. And this column mentioned last August that Renault were fitting the same size lightweight spare tyre to all Fuego coupés, regardless of the tyres on the road wheels, which range up to ultra low profile 65 series on the GTX.

Renault have also adopted a very narrow, high pressure crossply spare (though not here, where the law specifically forbids mixing radial and crossply on the same axle). A normal production radial is used as a spare on the low-profile shod Renautl 5 Gordini and the 30TX models.

So the practice, to say the least, s well established. And it is growing, as the car makers try to save weight—with marginal gains in fuel consumption—and maximise interior space.

Whether it is a desirbale trend is another matter. For the new car buyer, I can no see that it makes much difference. There is no longer any need to rotate steel-belt radial tyres around the car every 5,000 miles or so—the makers advise against—and punctures are rare than they were. Once every 25,000 miles is the average, and that includes old cars with well-worn tyres. That being so, why lug around anything between £40 and £200 worth of spare wheel and tyre that is merely collecting dust in the boot?

The emergence of the space-saving tyre is, in any event, an interim step in the elimination of the spare altogether. But that is still some years away. The four (as opposed to five) wheeled car not only needs a fail-safe, run-flat tyre; it also wants a foolproof deflation warning devise that does not cost the earth.

Unsettled by the effects of recession, a speculative element has entered the market and a painting's appreciation is no longer inevitable. However, works of high quality continue to be a good investment.

Encouraging pointers for the knowledgeable collector

THE RECESSION has had a predictably incisive effect on the fine art markets: works of the highest quality have appreciated rapidly in price while run-of-the-mill pictures are finding few buyers. So, on the one hand, Sotheby's Belgravia can hold one of its most successful Victorian picture sales ever, with 15 new artists' record prices set, and on the other see lack-lustre demand at its regular routine auctions of Victorian art with paintings selling for less than they were a year ago, if they sell at all. But ever optimistic dealers hope that the Sotheby's sale in late March has brought back confidence, a better tone is already detected.

For years Victorian pictures were under-priced, and they still are compared with Impressionists or even the lesser Old Masters, but there has been some rapid catching up, not least in the U.S. where 19th-century and early 20th-century works by native artists are now probably the fastest appreciating sector of the entire antiques trade. This side of the Atlantic business is quieter although in late June Sotheby's is holding its first joint sale of British and Continental 19th-century paintings of which it has the highest hopes.

An oil by Rossetti, rare on the market, is expected to beat the current record for a Victorian painting of £230,000 (set for a Lewis painting of an Arabic scene, the kind of painting which would not reach the same *high* price today), and among the Continental works,

VICTORIAN ART

ANTONY THORNCROFT

pictures by Courbet, Corot, and Koch should find keen bidders. Such paintings rarely appear on the market and anyone anxious to acquire one must buy: at the medium and lower end of the 19th-century market there is an abundance of supply so buyers can bide their time.

What makes the situation particularly interesting at the moment is the constant rediscovery of attractive paintings. It is not just the established names that make record prices, although the interest in Pre-Raphaelite works remains intense. For example, at the Sotheby's sale "The cave of the storm nymphs," an academic painting in the grand manner by Sir Edward Poynter, sold for £180,000—the previous record price for a Poynter was £12,000. "The light of the hareem" by Lord Leighton sold for £85,000, double the previous best, and a little known, but exceptionally pretty, picture by Edith Hayllar realised £36,000. Hayllar can rarely have sold for £1,000 previously. Buyers are using their eyes, and although much of the demand for the top pictures comes from the U.S., anything with an obvious appeal and—of great importance—fresh on the market, is doing well.

This is a good time to be a buyer of 19th-century pictures. Sectors that appreciated rapidly a few years ago, such as watercolours, are now reasonably priced: new names like John Sowerby, Thomas Mackay and E. G. Warren are receiving attention, and their works usually cost less than £1,000. Even paintings by artists of some standing, such as Leader, can be bought for roughly the same price as in 1973.

There is, however, one sector which is performing much better than average, and that is early-20th-century British art. The period 1890-1910, the time of the Poynter, is being re-appraised, as are the later decades, up to 1939. Paintings by Stanley Spencer, Sickert, Augustus John, Clausen, Lavery, Paul Nash, Gore, Bevan and Gillman are now fought over, yet many works by these fine artists still cost less than £10,000.

This might be a difficult time for the dealers, except those who can obtain fresh material (at the current Roy Miles summer show there is "Musica" by Burne-Jones, unseen for half a century), but for a knowledgeable collector, even if he has less than £1,000 to spend, the market could hardly be healthier.

"The Damsel of the Sant Grail," by Dante Gabriel Rossetti, is regarded as his most important work to come on the market for at least 15 years. It will be auctioned at Sotheby's sale of 19th-century paintings on June 23, and is expected to fetch up to £250,000—beating the current record of £230,000 for a Victorian painting.

"A fireplace," an oil painting by Anthony Eyton, ARA, was selected as the best picture of the Royal Academy's 1981 Summer Exhibition.

Market of the highest quality

LAST YEAR I wrote that the market in contemporary painting is as difficult to monitor and predict as ever, and such things do not change too quickly. London remains the centre of the international trade, but so far as living artists are concerned, native and foreign, it would seem to be important still as a stage on which to appear and make a name, rather than to make a killing.

Here comparatively few artists live entirely off their work, and those that do are sustained for the most part by dealers working to a particular clientèle rather than to a more general public. Only one or two can ask as much for their work as is commonplace among their peers abroad.

The British at large have taught hemselves to dislike and distrust modern art of all kinds, and will not support it, with the result that the prices of even the very best of current British work are low when seen in an international context. At the highest level, such prices might well be beyond the reach of the private collector, but are attractive nevertheless to the civilised corporate patron or so one might have thought; but though their number is at last beginning to grow, too few of our major commercial institutions have as yet put together serious collections.

Prejudice or indifference apart, however, it has to be admitted that modern art must often appear to be a questionable investment, at least in the shorter term. The saleroom, which sets the mark in so many other fields, is notoriously misleading where the market is unreasonably small, and dealers intervene to protect their artists and to save them up for a rainy day.

Great collections, however, have seldom been formed with a view to a quick return, and the percipience and taste of one generation, one chairman even, is the pride of those that follow. For rather less than the cost of the carpets, and with sound advice, a company could obtain a clutch of capital works by contemporary artists that in time would persuade the most sceptical and philistine of shareholders. Of course a tax concession or two to those who help living artists would help things along mightily.

The length of time need not be too great, and those who bought Bacon, Freud, Sutherland, Nicholson or Paolozzi in the 1950s, Hockney, Kitaj, Riley, Hodgkin, Uglow or Hoyland in the 1960s, even Flanagan, Long, Fulton or Tindle in the early 1970s have already done very well; but I would say again

TWENTIETH CENTURY ART

WILLIAM PACKER

that this kind of appreciation is not really the point. To sponsor an evening at the ballet or a day at the races is not thought a waste of money, though the returns might be somewhat indirect, and good pictures on the walls are their own justification.

The sums involved are hardly excessive, and there is an embarrassment of work of the highest quality to choose from—which must be what keeps the galleries going as few have closed, several have opened, even in these parlous times. Work by the best of the Royal Academicians, for example, for rather too long an under-acknowledged body in many respects, may be had even now for barely four figures and significantly less in some cases—such artists as Roger de Grey, Robert Buhler, Bernard Dunstan, Carel Weight, Olwyn Bowey, Elizabeth Blackadder, Peter Greenham.

Inside the Academy or out, the story is the same. Lawrence Preece, Robert Mason, Michael Upton, Stephenie Bergman, John Carter, John Loker, are all to be had for hundreds rather than thousands; Norman Stevens, Anthony Whishaw, John Edwards, Anthony Eyton, Derrick Greaves, Prunella Clough, Adrian Berg, John Bellamy, Norman Adams—the list is endless, and embraces both abstraction and figuration, all from around £2,000 to about £4,000 for major works.

Only proven worth guarantees a good buy

NEXT WEEK both Christie's and Sotheby's will hold important sales of Impressionist pictures in New York—an indication of how that city has taken over from London as the sales centre for the best Impressionist and modern works. London retains its dominance in Old Masters.

There are high hopes that the strength of demand for Impressionists shown last year in New York will be maintained. Record auction prices were then established for Picasso, Van Gogh, Cezanne, Gauguin, Degas and Modigliani—as well as $6.4m paid by an Argentinian for Turner's "Juliet and her nurse," which still stands as the record for any work of art sold at auction.

The very rich are buying pictures again as security in an uncertain world and that applies to anything of top quality. Old Masters as well as Impressionists. These days, however, few really important Old Masters appear on the market; most are in museums. With Impressionists there is a much higher turnaround and just recently many of the collections formed in the early 20th century have come up for sale, often through the death of the owner.

For Old Masters the usual rules apply. Anything of fine quality and in a good condition is doing well at all price levels. Uninspired paintings of unglamorous subjects, particularly portraits or religious pictures, or those in a bad condition, over-restored or stale on the market, are attracting little interest.

London is very much the entrepôt for Europe and Continental buyers are much more active than the British, who can rarely afford to buy quality paintings these days. So if a Continental dealer is in the salerooms demand can be brisk. In general attractive, well-painted pictures are appreciating, while the bread-and-butter

OLD MASTERS

ANTONY THORNCROFT

stock of the trade has barely risen in value over the past year.

Works by the leading Old Masters very rarely appear, most countries now have rigid controls which ensure that their national heritage cannot become the subject of a scramble by international dealers. When they do, odd things can happen. Christie's recently sold a Poussin for £1.65m. It was the property of the Duke of Devonshire and the price was rather below expectations.

At least one dealer believes that the disappointing price was due to the fact that the Government showed little sign of putting a temporary export ban on the work. By being lenient it devalued it. Even so the price indicated the ready demand for masterpieces, although the prices of Old Masters, appreciated for centuries, still looks inexpensive compared to those paid for some contemporary works with no tradition.

The Government, through the National Heritage Memorial Fund, and tax changes, is making it *easier* for national museums to acquire works of art by improving the financial incentives to vendors. Rather than pay full tax on an auction house sale there is more encouragement to arrange a private treaty deal, with its tax advantages. This could keep the finest Old Masters out of the market place. Even so the growth of knowledge has ensured that there are few historical periods or schools which do not find collectors—even the long-ignored Baroque artists now find favour, but they are still cheap.

There is no escaping the fact that buyers of paintings invariably have one eye on price appreciation while the other takes in the pleasure of the composition. It used to be generally accepted that works of art survived a recession fairly well compared to other forms of investment. This is no longer true. A speculative element has entered the market and today only paintings of proven worth can be considered a good buy.

Most of the thousands of paintings that pass through the salerooms and dealers every year—and 80 per cent of the lots through the major salerooms still go for less than £500—are relatively cheap. So there are marvellous opportunities in the current climate to acquire bargains, but only if you are well advised and have a genuine fondness for the painting.

Fine displays for the summer

THE SUMMER Show, which opened to the public at the Royal Academy yesterday (and is reveiewed on another page by William Packer), is traditionally the start of the London season.

As well as the Summer Show there are many good exhibitions on display in the neighbourhood, which is still the centre of the London art trade, although more adventurous dealers, such as Angela Flowers and Anthony Stokes, have proved that you can flourish where the rates are lower.

In the Mall Galleries, from May 20 to June 10, another hardy anual, the 87th exhibition of the Royal Society of Portrait Painters may be seen. In the more commercial world, close by the Royal Academy, Roy Miles is holding his annual Summer Show of Victorian paintings: but he has joined the bandwagon and also added in some of the currently fashionable British post-Impressionists. There are very decorative pieces for sale by Godward, Waterhouse, Marcus Stone ad more. From June 3, Partridge Fine Arts is showing something very different in Bond Street: equestrian scenes of horses and dogs in the traditional style but by a living artist, Count Bernard de Clavière.

Elsewhere Ronald Cook in Duke Street has "The Rembrandt Years," paintings by Masters working in the Netherlands between 1606 and 1669 (until May 30). Campbell and Franks in New Cavendish Street has an exhibition of the work of Clara Klinghoffer from May 21 and Hamiltons in Carlos Place mounts the first European exhibition of the Brazilian artist, Rodolfo Vedoya. In contrast modern abstracts by Kenneth Martin can be seen at the Waddington Galleries until May 23. In the public sector the most important exhibitions

FORTHCOMING EVENTS

ANTONY THORNCROFT

currently in London are a David Hockney show at the Riverside and a Philip King retrospect of his sculptures at the Hayward.

Many London dealers, and both the major salerooms, are involved in the Bath Festival, which open ext week. For the first time the visual arts will rival music as an attraction there. Other British dealers will be at Pictura 81, the important art fair at Maastricht in the last week of the month.

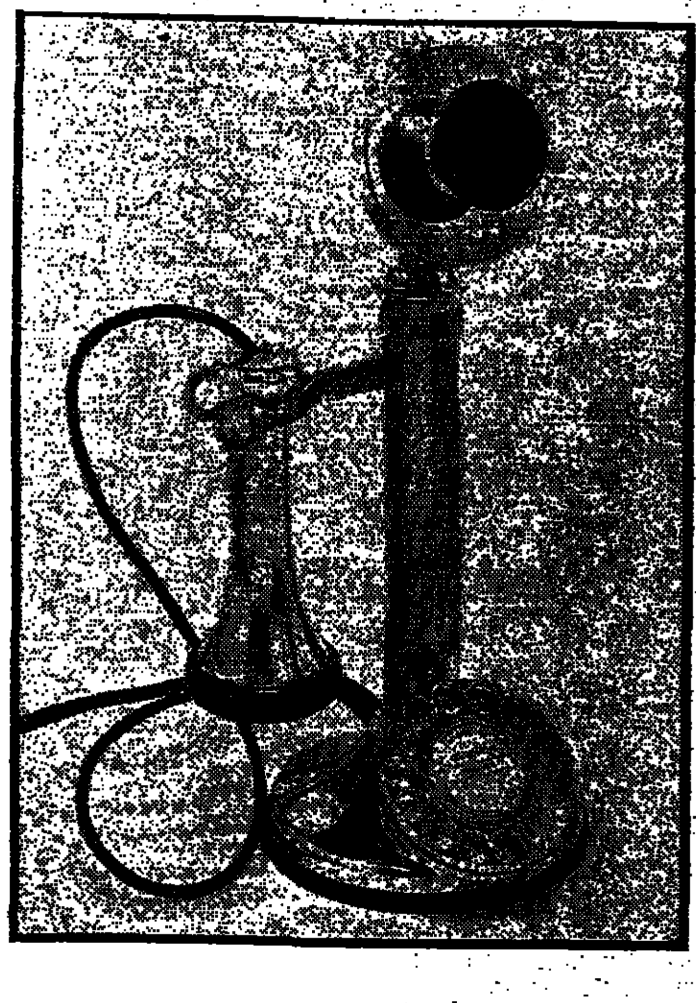
An agreeable way of art gazing is to visit the salerooms and peruse their forthcoming sales. Sotheby's will be worth visiting just before its June 23 sale to see the Rossetti "The Damsel of the Sant Grail," as well as works by Alma-Tadema, Burne-Jones, Albert Moore and the Continentals. A week later a major Impressionist sale will offer for view "L'estaque" by Cézanne; a cubist Picasso; and two fine Legers, among many others. Christie's Victorian pictures auction on June 5 contains a good Millais portrait of a little girl; yet another Rossetti—a portrait of Ellen Heaton—and paintings by Alma-Tadema and Lord Leighton.

HOW TO SPEND IT

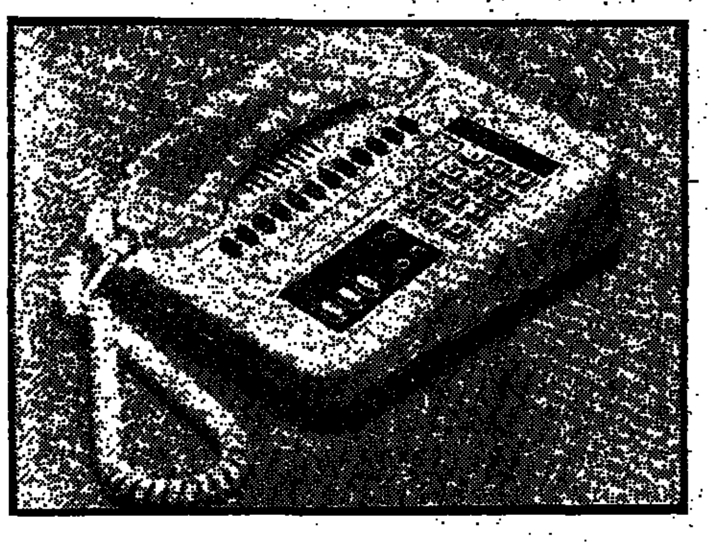
by Lucia van der Post

As the end of the telephone monopoly draws near it seems time to look at some new lines on the market

Ringing the changes



Shades of yesterday: reproduction brass Candlestick telephone, £54. There's also a wall-mounted version on a richly grained wood base, £59.



The line of the future: the Lambda multi-facility telephone system which includes memory, re-dial, facility, one way loudspeaker, £86.25.

SOME of us have a few simple demands to make of our telephones. Like, wouldn't it be nice if we could get one just when we wanted. And wouldn't it be good if every time we dialled we got the number we'd actually asked for. Then, I'd like to be able to carry on my conversation without interruptions from Fred at the other end of the *country who's trying to order* his seed potatoes in bulk.

But these basics aside, it is nice to know that shortly we are all going to be able to buy any telephone extension we like instead of having to have one of the ones that Nanny British Telecom thinks is good for us. Nanny will still be able to control the choice of the first telephone in each household but after the British *Telecommunications Bill, currently* in its final parliamentary stages, is passed (confidently expected to be some time in the summer) British Telecom's monopoly to supply and maintain all telephone equipment will be ended. Those who want to play it by the book should wait for the bill to be on the statute book, and then make sure the telephone they fancy has been approved but it is no secret that many people are already busy jumping the gun and the Telephone Box at 339 Fulham Road, London SW10 reports that business is already booming.

The Telephone Box, as is more or less self-evident, specialises in nothing but telephones and things connected therewith. To those who are used to the somewhat limited range offered by British Telecom, the choice of around 60 different instruments seems almost overwhelming. The domestic user need no longer be constrained by British Telecom's definition of discreet good taste but can go all out *for something as wonderfully* vulgar as the Call-Girl (the phone is hidden under her frills) or for something as genuinely desirable as the real old antique telephones.

Probably the best value of all *are the very neat little* black bakelite telephones dating from the 1920s and 30s—they all belonged to the Hull Telephone Company (the last of the private companies to be nationalised) and are therefore simply codenamed the Hull telephone. They start at as little as £22 each and are very likely to become collectors' items as they were only produced in limited quantities in England.

Then there are authentic American pay-phones in gleaming chrome (see right)—straight from the world of Al Capone.

Besides the genuine antiques (of which there are, inevitably, only limited quantities) there is a whole series of exceedingly attractive reproduction models. Telephones like the Candlestick shown here (and its wall-mounted cousin) are made of solid brass, which makes them marvellous to feel and to hold.

For those who prefer modern efficiency to old-world nostalgia, the Telephone Box has a lot to offer. Almost all the new telephones have automatic re-dial (if the number you want is engaged first time round, you just keep it on automatic re-dial until you get through); press buttons can double as numbers on a calculator; there are facilities that tell the user how much a call costs; the telephone can be programmed to ring at set intervals to remind the user of whatever it is he needs to be reminded of; some have a burglar alarm system built in: almost all offer a "hold" facility so that privacy can be *guaranteed* rather than having to hold a hand over the mouthpiece.

The prices start at £11 for the traditional Jubilee telephone and go on up to as much as £235 for a 24 carat gold space-age globe with push button controls. The Beta Compuphone at £165 has 28 memories, number display, calculator, clock, stopwatch, seven alarm settings to *ring at different times*, re-dial and a one-way loudspeaker which leaves your hands free. Then there's the Zegna which costs £155 and has 73 memories (this means 73 numbers can be fed into the memory bank and *by pushing only two buttons the* machine will automatically dial the number required). It also has a number display showing the number being called, three time clocks to tell you the time in this country and in two other countries of your choice, a re-dial facility, a stopwatch and an alarm service to call the police or the number you are at should the burglar alarm be *activated*.

Then there are the usual car phones, answerphones and bleepers.

If prices seem high it is worth comparing them against British Telecom's charges. It was estimated that five years use of the company's *Mickey Mouse* telephone would cost in the region of £2?0 (at the end of which time, of course, the user didn't own it and British Telecom would no longer service it) while now it can be bought outright for £99.

You will still have to pay installation charges for these extensions and these are likely to be around £15 to £20 a time. But many of the telephones can be supplied with jack plugs so that those who already have extension facilities can plug in (albeit, for the moment, illegally).

For those who live out of London, the Telephone Box, has leaflets on most of its models which it can supply by post (send a stamped addressed envelope).

For those who prefer to stick to the rule-book, British Telecom offers this latest design—Dawn. In pale yellow, avocado green or white, it costs £18 initially and then an extra £2 quarterly rental.

Install a call box at home: the Phone Booth poster (6ft x 2ft 6in. in paper, £15. or on board £29) shown with real American pay-phone (£99) does the trick. All products illustrated, except Dawn, are available from the Telephone Box

A word of warning—though it seems certain that the bill currently before Parliament will be passed before the end of the summer this doesn't mean that everybody will be able to buy and use whatever phone happens to take their fancy. Regulations will still be there and only equipment that conforms to the safety and technical standards laid down by a Government-approved body will be allowed. The prime reasons for this are to ensure that all the equipment is technically compatible with the British network; that it is unlikely to risk injuring staff or *damaging the system*; *that* it doesn't interfere with other customers' use of the network; finally, that it is correctly connected. Before buying any new equipment do make sure you check that it is certified for connection to the telephone system. Though the Telephone Box has made sure that all the models it stocks are up to the technical standards required, *this isn't true of all telephones* on the market. The majority of the unauthorised models come from abroad and may either not work properly or be unsafe.

Price freeze

REGULAR readers of this page will by now know about Buyers and Sellers, the shop (with two branches, one at 120/122 Ladbroke Grove, London W10 and the other at 72, Uxbridge Road, London W12) that specialises in buying in very slightly damaged or end-of-line white goods of all sorts. All the models carry full manufacturers' guarantees and all are cheap for some reason, generally a scarcely detectable flaw which certainly doesn't affect the performance but does prevent a retailer from selling it at full price. Current best offer from Buyers and Sellers is a Colston 8 cu ft fridge/freezer (6 cu ft fridge, 2 cu ft freezer) which has an automatic defrost mechanism and is on sale now at £129.95—normal price £160.

Anne Morrow

Night life

ONE of the prettiest selections of nightwear around is to be found at After Dark, 64 Pimlico Road, London SW1. As the name suggests the shop specialises in everything to do with the bedroom, from the most ornate knick-knackery to a complete interior design scheme. Not a shop for those who believe in clean-lined, functionalism, more the sort of shop to please the romantic and those who go in for the pretty and the nostalgic.

One of the most useful ideas to be found there is a tray which is attached to a soft cushion-like base by means of Velcro—ideal for invalids or those who like to have breakfast in bed. The base, which is a cross *between a cotton cushion and* a bean-bag allows the tray to rest less precariously and much more comfortably on the bed. It also gives the tray stability so that one end won't tip if it becomes unbalanced and the use of Velcro means the tray can be removed for easy cleaning. Large size, in six different designs, is £15.95 (£1.75 p+p).

Sketched left, is one of the shop's selection of very pretty *nightdresses. In white* with either coloured or white embroidery, it is made of 65 per cent polyester, 35 per cent cotton, is handwashable and drip dry and costs £23 (£1.50 p+p). Order it in small or medium sizes only.

● It is at this time of year that garden lovers begin to make *forays up and down the* country to visit other people's gardens. The Gardeners' Sunday Organisation has for 25 years been organising the opening of over 200 private gardens to the public at a nominal entrance fee. The proceeds have been sent to two deserving charities—The Gardeners' Royal Benevolent Society and The Royal Gardeners' Orphan Fund.

Though traditionally the first Sunday in May and the last in June were the Gardeners' Sundays, more and more 'days' and gardens have been added to the list. Anybody wanting full details of which gardens are open on which days should send 50p to Mrs K. Collett, Gardeners' Sunday, White Witches, Claygate Road, Dorking, Surrey for the booklet listing them all (or 35p from most booksellers). This coming Wednesday, May 20, Her Majesty the Queen will be opening the gardens at Frogmore, Windsor Castle, in aid of the Gardeners' Charities.

Fit for feet

IF YOU like plenty of simple, basic mules for wearing with summer dresses or jeans then Footprint, a new franchise operation at 257, Oxford Street, Oxford Circus, London, W1 may be just the place for you. Don't go there for the latest fashionable mule or finest soft leather but if you want to be able to choose your own height of heel and own colour straps then for only about £9 you can choose the sandal of your own choice. The base is in either wood or plastic, in 10 different colours, and the trim, which is stapled to the base as you wait, comes in lots of different colours, too, so that altogether there are some 100 different possible colour permutations. All models cost about £9 and come in sizes 3 to 8 only.

ARTS

Quentin Crisp

BY ROSALIND CARNE

Any mistaken notion that Quentin Crisp presents a radical challenge to the Establishment is quickly dispelled by this one man show. He is, above all, an exhibitionist, a sprightly septuagenarian with a blue rinse and views to match. He disapproves of the trade unions, modern music, strikes, even gay liberation, and believes the young have too much money. Delivering *his precious* pearls in an hour long monologue followed by audience questions he can provide comforting re-assurance to anyone who believes the old values are crumbling.

This limited short run at the Mayfair is a major promotion effort for volume two of the Crisp autobiography, *How to Become a Virgin*, following the successful television adaptation of volume one *The Naked Civil Servant*. I cannot speak for the books, but a little goes a long way on stage with the man spinning his web of variations around a single obsessive theme—style, the need for it, and how to acquire it. Frankly, I gave the matter little thought until Tuesday night. But anyone who feels dismally unstylish should trot along and heed his advice. If Crisp is to be believed, lack of style is the chief cause of the misery of modern man.

He relies on the spoken word—no song, dance or any of the usual accompaniments to a solo performance. Yet, he is a grand and witty raconteur; content may be wanting, but after all, style is the thing. You may be irritated, but you are unlikely to be completely bored. With his well-timed gestures and his nicely constructed speech, he knows how to grip an audience.

He is reactionary without rancour, as in the charming tale of the landlady who ends up on the wrong protest march. Indeed, his advice often makes sound economic sense. "Never keep up with the Joneses. Drag them down to your level, it's cheaper."

His heroes and heroines must rate fairly as the people with whom *you would least like* to be marooned on a desert island—Eva Peron, Joan Crawford, Andy Warhol, David Hockney and Mohammed Ali. But egotism is an essential component of the Crisp style. Indeed, as he makes perfectly clear, "altruism is debilitating." He concedes style to Mother Theresa, but then it is always possible to make an exception of saints.

Mahler's Third

BY DAVID MURRAY

On Thursday Claudio Abbado and the London Symphony gave a Festival Hall performance of Mahler's Symphony No. 3 that was, in precisely the right ways, sensational. I do not remember hearing the monstrous first movement sound so toweringly wild and dangerous—just the exultant Pan-ic rout that Mahler envisaged—nor the *Comodo* scherzo so charged with *frissons*, sullen half-lights, sudden catches at the nerves. All that is in the score; Abbado, conducting without a score, missed absolutely nothing. Details that are usually treated as mere nuances stood out as if phosphorescent.

The play Mahler makes with unheard-of instrumental contrasts was rendered brilliantly. In particular the mad little duets between remote, dissociated orchestral voices—especially where, for example, a bit of seemingly harmless accompaniment rises threateningly into the foreground—were balanced with a magisterial hand. Abbado coaxed an enormous dynamic range from his orchestra—as deadly-sharp in extreme pianissimo as in overweening climaxes.

The heartfelt, pleading portions of the Symphony lost nothing in Abbado's deliberate shaping, with Yvonne Minton a firm-voiced soloist in the Zarathustra movement and the bell choruses excellent. Something—perhaps the humidity—prompted many small accidents among the winds (especially the brass), but the performance had such extraordinary power that it shook off these tiny, passing flaws like dust specks.

Tommy Steele at the RA

Among the many amateur contributors to the Royal Academy Summer Exhibition is entertainer Tommy Steele, whose water-colour entitled *The Entertainer*, was accepted by the selection committee.

The painting, a relatively small one, shows a figure playing a guitar, watched by a group of people.

Summer Show

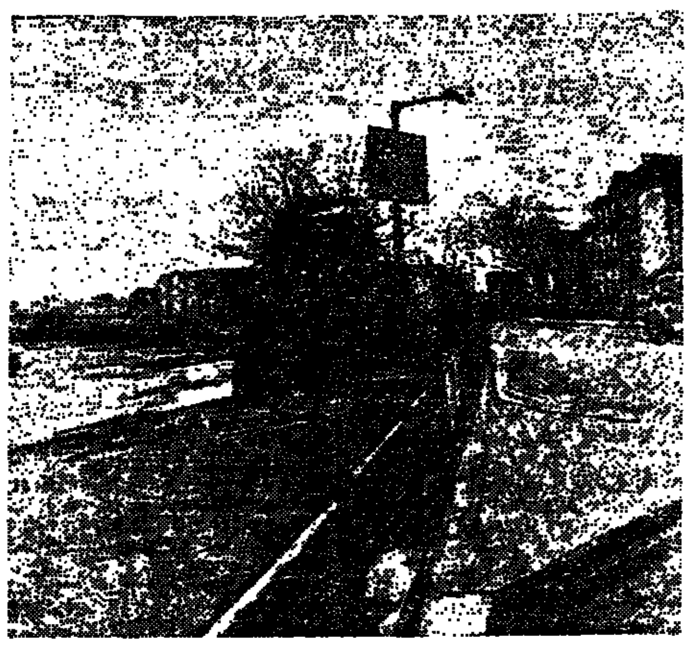
BY WILLIAM PACKER

The Royal Academy is a splendid and eccentric institution, of immense importance to our cultural life, and yet so peculiar that if it did not exist *we should be hard put to invent* it. We need and should cherish it for its independence, and for its courageous and generous enthusiasm for what it sees as the best in Art of all times and places.

We might have thought that the Academy had confidence enough, had proved itself to itself by now: yet whether it is through the constant strain *brought on by precarious* finances, or guilt at its philistine past, or the sense that it is still so much misunderstood, by artists and public alike, it remains almost pathetically anxious to please.

At the heart of its insecurities lies the Summer Show, for which, before everything else it does, the Academy would wish general applause and approbation. The Summer Show is indeed the Academy's *raison d'être*, the focus of its year, the single exercise in which the Academicians themselves are most directly concerned; and any consequent anxiety is quite understandable. What makes it worse is that the show itself, by its very nature, is virtually beyond criticism, which is not to say above it. Any open exhibition is the prisoner of the work actually submitted for selection: a show comprising, as this does, some 1,446 exhibits, is bound to be something of a jumble sale, the hang not invariably sympathetic: and the general sense can all too easily be that of the few good things drowning in a flood of mediocrity.

But this would seem to miss the point. As it happens I know that an extraordinary amount of time and effort is invested in the hang, and this year, as always, the principal galleries, numbers I, II and III, are well-chosen and handsomely, if discreetly hung. But we only have to look at Frith's Private View of 1881, brought out for the anniversary and hung on the exact spot for the view it describes, to see with what arbitrary confidence the Victorians stacked the walls. In an exhibition of such a size, the work is the thing, and the visitor is quite simply put on his mettle to look it out; which is part of the fun.



'Evening, Chiswick Mall' by William Bowyer

This year's is for the most part highly professional and uncontroversial; and of course there are very many excellent things to be found with just a little application, most especially those shown by the Academicians and Associates themselves, for whom one need make fewer apologies these days than once were necessary. Anthony Eyton's large Fireplace, for example, a painting of the interior of his studio, has quite reasonably been given the major accolade, the Wollaston Award for the most distinguished work of the year; and his other works are quite as good, most notably the watercolours in the Large South Room, where they are to be found in very good company—Elizabeth Blackadder's remarkable still-lifes and flowers are not far away, and there are some intriguing Burra-like paintings by Michael Rothenstein, and also the woodscapes of Edward Bawden.

The first room of all is a virtual Academy preserve, and in its unassertive way rather impressive. David Tindle is much in evidence there, and Olwyn Bowey, Frederick Cuming, William Bowyer, Bernard Dunstan, Norman Blamey, Carel Weight and Robert Buhler all start as they prove to carry on elsewhere. Peter Greenham shows two portraits of the highest distinction, that simply of A Lady, for me the best work in the entire place. Gallery II, the main hall, contains a characteristic and commendably ambitious Cruxifixion by Carel Weight, Mediterranean landscapes by Colin Hayes, who seems to get rather less attention than he deserves, and Norman Adams' large compositions. These, abstractions upon imagery taken from nature, birds in the trees and animals scattered across the hillside, look as well as anything, and suggest that an extended consideration of his work is overdue.

Then comes Gallery IV, and the first massive shot of abstraction, with Gallery VIII at the other end of the back rooms providing the second. Such segregation is problematical simply because large abstract paintings are problematical in a mixed exhibition. Is there a case for the segregation to be made complete; or failing that, for more space to be made over to it and the Summer Show made numerically smaller by so much? It all smacks of allowances and special pleading, which is unfair to the work itself. There are very good paintings and reliefs here, from inside and outside the Academy—from Ken Oliver, Janet Nathan and Brian Fielding for example, and most significantly, from Anthony Whishaw.

Which brings me to the sculpture, and the same point again. Apart from the concentration in the Lecture Room, a scattering through the galleries does nothing justice, and allows in any case only for the smallest scale. It would seem significant that for the most part the work shown is small anyway, and predominantly figurative. Eduardo Paolozzi, Phillip King and Michael Kenny are all members of the Academy, and yet large and significant examples of their work are conspicuously absent. Has the time come for a separate open submission of Sculpture at the Academy?

Ordinary listeners

BY B. A. YOUNG

There used once to be a programme called "Music and the Ordinary Listener." Educational music programmes now live on the Third, and the Ordinary Listener, firmly ensconced on the Foundations of Music, is capable of demanding Berg or Webern in his Concert Choice.

On Tuesday I heard the American artist Brice Marden explaining to Edward Lucie-Smith why he painted his canvases all in one colour—one of a series of *Conversations with Artists* that might be called Art and the Ordinary Listener, for the conversations tend to be personal rather than technical, even if it's not possible always to make quite the same leaps of thought as *the artists do*. Phillip King's account of his sculptures in an earlier talk prepared me for nothing like the sculptures themselves, interesting though he was. I am now two-thirds of the way through a course on Modern Italian Literature and the Ordinary Listener, three talks on Italian novelists by Paul Bailey; and I am enthralled.

As far as Italian novels go, I am a very ordinary *listener*; that is to say I have read hardly any. Last week (Radio 3 on May Day) I was a bit slow switching off Mahler's fourth symphony, and I found myself listening to Mr. Bailey on the work of Cesare Pavese. It was magnetic, so magnetic that I made no notes of what I heard. Then last Monday up came Mr. Bailey again with Giorgio Bassani, who everyone knows (at least by name) because Vittorio de Sica made a film of *The Garden of the Finzi-Continis*.

And yes, this was magnetic too. Mr. Bailey's secret is never to tell you anything without illustrating it, and illustrating it *properly*. He has with him in the studio a distinguished actor, Benjamin Whitrow, who reads extracts from the books Mr. Bailey is talking about that are almost as long as Mr. Bailey's lectures, so you learn not only what Pavese and Bassani (and next week, Italo Calvino) are writing about, but you are actually sucked into the mood of the writing. Mr. Bailey told us that Bassano wrote of "the infinite pity and tragedy of the past"; and the extracts from the novels, read quite undramatically, brought out tellingly the sadness of the characters, and so the sadness of Bassani's life, for his novels are more or less autobiographical.

While I am on about Paul Bailey, let me also say that he has been head and shoulders above any of his fellows in those little five-minute talks on *Words* that pop up in the intervals of concerts. His last was given on Sunday morning, and his successor, Patrick Nuttgens, Director of Leeds Polytechnic, began his run on Thursday, between Bartok and Haydn, though I shall have to wait until Sunday to hear it. Mr. Bailey thought you could be funny about the use of language, something that doesn't seem to have occurred to anyone since P. J. Kavanagh some time ago, who spoke in favour of the British working-man's favourite unprintable epithet when used as a grace-note in conversation. *Words* is most enjoyable when it's most unexpected, and least when it's most didactic.

Charles Parker, whose radio composition The Ballad of Charles Axon was revived on Radio 4 on Wednesday, was the most devout believer in radio that I ever met. He bubbled over with enthusiasm for radio as an art medium (a medium that seems to me to have been understood better in the early days, by writers like Lance Sieveking and Tyrone Guthrie, than it is now) and even as a vehicle for improving the lot of the human race. It was interesting to hear him discussing the conception of the radio *ballad*, a form that he virtually invented. What he was interested in at our meeting was a series of 15-minute scripts promoting the British way and purpose in the U.S.

English Bach Festival

BY MAX LOPPERT

The 1981 English Bach Festival opened on Thursday at the Banqueting Hall with one of its Divertissements of 18th-century dance and song — a formula by now well established. A glance at the EBF schedule over the next 10 days (*the final event, at the Festival* Hall on May 23, is a revival of Rameau's *Naïs* in the staging first seen last year) reveals a not-to-be-ignored shrinkage in the size and scope of this festival—the days of Messiaen and Berlioz in church and cathedral, of important Stockhausen and Xenakis novelties, of an Oxford sector to the festival, are long done, for all too obvious budgetary reasons. Even so, it is impressive how much of interest Lina Lalandi has nonetheless managed to stir into the mixture.

The music for Thursday's Divertissement was Rameau (a selection of airs and dances from *Hippolyte et Aricie*) and Bach (the B minor Suite). In both, the Festival Dancers undertook Belinda Quirey's dance routines, styled and costumed in the manner of the period; the Festival Baroque Ensemble was led from the keyboard by Nicholas Kraemer. An air of mildness was imparted by the event: it is enjoyable to sit, on a mild spring evening, beneath the magnificent Rubens ceiling, watching and listening to decorous inventions decorously performed.

But of the vivacity, the many kinds of theatrical insinuation, the highly suggestive physicality beneath the surface of studied formality that one reads about in more than one account of the French *ballet de cour*, there was hardly a trace all evening: these were pleasant young people going through their paces. Musically, the impression was a similar one of competence on the period instruments, but (in Bach, especially) of rhythms left under-emphasised, of tempi flagging and articulation politely restrained. At least there was Marilyn Hill Smith as solo soprano, in deliciously clear, crystalline voice, to bring a hint of spirit to Rameau—a pity that her charming account of the famous "Rossignols amoureux" could not be allowed the full length of the air.

F.T. CROSSWORD PUZZLE No. 4,570

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

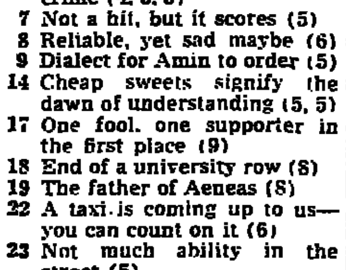
ACROSS

1 Ran like an earl (6)
4 "Critic, you have frowned, —— of its just honours" (Wordsworth) (8)
10 Not indeed signified (7)
11 The rate changes for the scene of action (7)
12 Tart for supporter about fifty (4)
13 Two pairs prepared for transportation (4, 2, 4)
15 A smoking jacket (6)
16 Hypocrisy starts with a pious wish for a spell (7)
20 A loud-voiced herald (7)
21 Peak of silence (6)
24 Male dance partners collectively, like pedigree horses (5-5)
26 The importance in part of an orange (4)
28 More can reform an Italian city (7)
29 What we find in a housewife is irritating (7)
30 University session (8)
31 A French town that can produce an oyster (6)

DOWN

1 Wait with the car in the West Country (8)
2 "The ——s of Gratified Desire" (Blake) (9)
3 Food from the orient (4)
5 Difference of pitch gives a break (8)
6 Characteristic of sponge and crime (4, 3, 3)
7 Not a bit, but it scores (5)
8 Reliable, yet sad maybe (6)
9 Dialect for Amin to order (5)
14 Cheap sweets signify the dawn of understanding (5, 5)
17 One fool, one supporter in the first place (9)
18 End of a university row (8)
19 The father of Aeneas (8)
22 A taxi is coming up to us—you can count on it (6)
23 Not much ability in the street (5)
25 Ancient hall of music (5)
27 Big or little—put up with it (4)

Solution to Puzzle No. 4,569

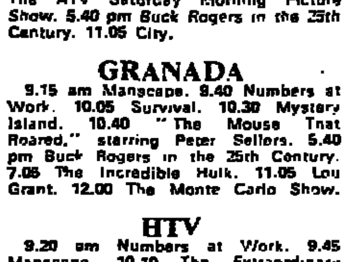


SOLUTION AND WINNERS OF PUZZLE No. 4,564

Mr. P. G. Stephenson, 34 Church Lane, Kirk Ella, Hull, East Yorks.

Mr. D. Brogden, 54 Abington Avenue, Northampton NN1 4PA.

Mr. David Daggers, 23 St. Mary's Tower, Fortune Street, London, E.C.1.



TV/Radio

BBC 1

† Indicates programme in black and white

9.10 am Rockface. 9.35 Lassie. 9.55 Help! It's the Hair Bear Bunch. †10.20 Charlie Chaplin in "The Count." 10.52 Weather. 10.55 Golf: The Martini International from Wentworth.

12.30 pm Grandstand: Football Focus (12.35); Boxing (12.55): AAA Marathon (1.15): Golf (1.30, 2.05, 3.05, 4.15); Racing from Newbury (1.50, 2.20, 2.50, 3.20); A Salute to Eddie (2.35) Eddie Waring talks to David Coleman: Rugby League (3.35); 4.50 Final Score.

5.05 The Hardy Boys and Nancy Drew Mysteries.
5.55 News.
6.05 Sport/Regional News.
6.10 You Must Be Joking!
6.40 Saturday Premiere: "The Jordan Chance" starring Raymond Burr.
8.10 The Val Doonican Music Show.
8.55 News and Sport.
9.10 Roots by Alex Haley.
10.40 International Match of the Day.
11.25 Saturday Night at the Mill.

All Regions as BBC1 except as follows:

Cymru/Wales — 6.05-6.10 pm Sports News Wales. 12.15 am News and Weather for Wales.

Scotland — 10.40-11.25 pm International Sportscene. 12.15 am News and Weather for Scotland.

Northern Ireland — 6.05-6.10 pm Northern Ireland News and Sport. 12.15 am News and Weather for Northern Ireland.

England—6.05-6.10 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-2.20 pm Open University.
†3.15 Saturday Cinema Double Bill: "Talk of the Town" starring Cary Grant.
5.10 "Once More with Feeling" starring Kay Kendall.
6.40 Royal Academy Summer Exhibition.
7.30 News and Sport.
7.45 Cartoon Two.
7.55 Around With Alliss.
8.25 The Levin Interviews: Bernard Levin talks to novelist Anthony Burgess.
8.55 Film International: "Angi Vera" (Hungarian film with English sub-titles).
10.30 News On 2.
10.40 Arena: "If the Music Had to Stop . . ." (A look at Britain's Youth Orchestras).
11.30 Golf highlights.
†12.00 Midnight Movie: "The Brothers Rico" starring Richard Conte.

LONDON

8.45 am Sesame Street. 9.45 Joe 90. 10.10 Survival. 10.35 Anna and the King. 11.00 Thunderbirds. 12.00 Mork and Mindy.

12.30 pm World of Sport: 12.35 On The Ball; 1.00 International Sports Special (Part 1) Ice Hockey, followed by Australian Pools Check; 1.15 News; 1.20 The ITV Seven from Newmarket and Thirsk; 3.10 International Sports Special (Part 2) Basketball; 4.00 Wrestling; 4.50 Results Service.

5.05 Dick Turpin's Greatest Adventure.
5.35 News.
5.40 Chips.
6.35 Only When I Laugh.
7.05 Hawaii Five-O.
8.00 Family Fortunes.
8.35 The Cannon and Ball Show.
9.05 News.
9.20 "Death Wish" starring Charles Bronson.
11.05 The Monte Carlo Show.
12.05 am The Electric Theatre Show.
12.35 Close: Personal Choice with Enoch Powell.

ANGLIA

9.30 am Mind Over Matter. 10.00 The Lost Islands. 10.25 The Extraordinary People Show. 10.50 Saturday Morning Film: "The Master of Ballantrae," starring Errol Flynn, Roger Livesey and Anthony Steel. 5.40 pm Buck Rogers in the 25th Century. 7.05 Chips. 12.05 am Love American Style. 12.35 At The End of The Day.

ATV

9.10 am Co-operate! 9.35 Numbers at Work. 10.00 The Flying Kiwi. 10.30 The ATV Saturday Morning Picture Show. 5.40 pm Buck Rogers in the 25th Century. 11.05 City.

GRANADA

9.15 am Manscape. 9.40 Numbers at Work. 10.05 Survival. 10.30 Mystery Island. 10.40 "The Mouse That Roared," starring Peter Sellers. 5.40 pm Buck Rogers in the 25th Century. 7.05 The Incredible Hulk. 11.05 Lou Grant. 12.00 The Monte Carlo Show.

HTV

9.20 am Numbers at Work. 9.45 Manscape. 10.10 The Extraordinary People Show. 10.40 "The Great Wallendas," starring Lloyd Bridges and Britt Ekland. 12.28 pm HTV News. 5.39 HTV News. 5.40 Buck Rogers in the 25th Century. 7.05 The Incredible Hulk. 11.05 The Ladies' British Singles Darts Championship. 11.35 The Monte Carlo Show.

HTV Cymru/Wales—As HTV West except: 10.10-10.40 am The Book Tower. 5.05-5.35 Sion a Sian. 11.05-12.05 am The Monte Carlo Show.

SCOTTISH

9.10 am Co-operate. 9.35 Numbers at Work. 10.00 Welcome Back Kotter. 10.25 The Extraordinary People Show. 10.50 The Enchanted House. 11.05 240 Robert. 12.00 Clapperboard. 5.45 pm Buck Rogers in the 25th Century. 7.05 To be announced. 11.10 Late Call. 11.15 Paris by Night. 11.40 Baretta.

SOUTHERN

8.50 am God's Story. 9.05 Sesame Street. 10.00 Clapperboard. 10.30 Mork and Mindy. 10.55 "Tarzan and the Valley of Gold," starring Mike Henry. 12.27 pm Regional Weather Forecast. 5.40 Buck Rogers in the 25th Century. 7.05 The Incredible Hulk. 11.05 Southern News. 11.10 Lou Grant.

WESTWARD

9.30 am Look and See. 9.35 Thunderbirds. 10.20 Gus Honeybun's Birthdays. 10.25 The Extraordinary People Show. 10.50 The Saturday Morning Picture Show: "The Call of The Wild." 12.27 pm Westward News. 5.40 Westward News. 5.42 Buck Rogers in the 25th Century. 7.05 The Incredible Hulk. 12.00 Faith for Life. 12.05 am West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Co-operate! 9.25 Spiderman. 9.40 Chips. 10.25 The Extraordinary People Show 10.50 The Saturday Morning Picture Show. "The Call of The Wild." 5.40 pm Buck Rogers in the 25th Century. 7.05 The Incredible Hulk. 11.05 Pro-Celebrity Ten-Pin Bowling. 11.50 The Palace Presents, with Vikki Carr.

(S) Stereophonic broadcast

RADIO 1

5.00 am As Radio 2 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm 25 Years of Rock (S). 2.00 A King in New York (S) 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S) 6.30-7.30 In Concert—Bob Marley and the Wailers (1973 concert (S).

RADIO 2

5.00 am Tony Brandon with his Saturday Early Show (S). 8.04 David Jacobs presents Star Sounds (S). 10.00 Pete Murray's Open House (S). 12.00 Two's Best (S). 1.00 pm The News Huddlines 1.30 Sport on 2: Football; Racing from Newbury and Golf: The Martini International: 5.00 Sports Headlines 5.05 Football/Golf/Cricket; 5.25 Rugby Round-up/Motor Sport; 5.45 Classified Racing Results. 6.00 Country Style. 7.00 Three in a Row 7.30 Cricket Desk. 7.33 Big Band Special (S). 8.00 Saturday Night is Gala Night (S) including 9.00-9.18 Peter Clayton talks about that popular vocal phrase of earlier years—"with Vocal Refrain." 10.00 Nordring Rendezvous (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Ann Murray song recital (S). 2.00 Play it Again (S). 5.00 Jazz Record Requests with Peter Clayton (S). 5.45 Critics' Forum. 6.35 The Organ Music of Jehan Alain (S). 7.30 Mendelssohn concert from the Dome, Brighton (part 1) (S). 8.10 What the Papers Said [illegible] 8.30 Mendelssohn concert (part 2) (S). 9.10 [illegible] 9.40 The Classical Guitar (S). 10.20 A Baroque [illegible] (S). 11.00 News. 11.05-11.15 Ravel (S).

VHF only—Open University: 5.55-7.55 am and 11.15 pm-11.55 pm for students in Scotland, Wales and Northern Ireland only: 11.55 pm-12.55 am.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From our own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 Just A Minute (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-Minute Theatre (S). 3.00 International Assignment. 3.30 Poetry Please! 3.40 Folktales Special. 4.10 Profile. 4.30 Does He Take *Sugar? 5.00 Conversation Piece.* 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs—Castaway: Sir John Gielgud (S). 6.55 Stop The Week with Robert Robinson. 7.35 Bakers' Dozen (S). 8.30 Saturday-Night Theatre. 9.58 Weather. 10.00 News. 10.15 You're Not Born a Woman, You Become One. 11.00 Lighten Our Darkness. 11.15 It Makes me Laugh with John Peel. 11.45 Turntable (S). 12.00 News.

TV RATINGS w/e May 10

UK TOP TWENTY (viewers m)

1	Coronation St. (Wed.)	(Gra.)	15.75
2	Coronation St (Mon.)	(Gra.)	15.65
3	Are You Being Served?	(BBC)	15.25
4	Hart To Hart	(ITV)	15.00
5	The Professionals	(LWT)	14.85
6	Benny Hill Show	(Tha.)	14.80
7	Butterflies	(BBC)	14.50
7	Family Fortunes	(ATV)	14.50
9	Crossroads (Tue.)	(ATV)	14.30
10	*Crossroads (Wed.)*	(ATV)	14.15
10	Nine O'Clock News (Thur.)	(BBC)	14.15
12	Only When I Laugh	(YTV)	14.05
13	Avalanche Express	(ITV)	13.60
14	The Cannon And Ball Show	(LWT)	13.55
15	Diamonds	(ITV)	13.10
16	Top Of The Pops	(BBC)	12.75
17	Where There's Life	(YTV)	12.60
18	Cup Final	(BBC)	12.55
19	Sale Of The Century	(Ang.)	12.45
20	The Other 'Arf	(ATV)	12.40
20	News At Ten (Fri.)	(ITVN)	12.40

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	Monday Night at the Movies—Murder in Texas (drama)	(NBC)	26.8
2	M.A.S.H (comedy)	(CBS)	23.2
3	Loveboat (comedy)	(ABC)	21.3
4	Three's Company (comedy)	(ABC)	21.2
5	Different Strokes (comedy)	(NBC)	21.1
6	Broken Promises (drama)	(CBS)	21.0
7	Nurse (drama)	(CBS)	20.5
7	60 Minutes (news)	(CBS)	20.5
9	*Facts of Life*	(NBC)	20.4
10	Sunday Night Movie—The Main Event (drama)	(ABC)	20.1

CHESS SOLUTIONS

Solution to Position No. 371

1 Q-K8 ch, R-B1; 2R-Q7! wins. If 2...RxQ; 3 RxR mate, or if 2...Q-B1; 3 Q-K7. In the game Black gave up queen for rook and bishop by 2...QxR; 3 QxQ, QRxB; but White easily won on material.

Solution to Problem No. 371

1 R-Q6, (threat 2 QxR). If 1...RxR; 2 N-N4, or if R-Q6; 2 R-K6, or if R elsewhere; 2 B-R2, or if BxR; 2 Q-N7, or if KxR; 2 Q-B7.

COLLECTING

Living designs

BY JUNE FIELD

Yet I can at least say this for the antique trade: through it I came to have a workable knowledge of English furniture and a deep appreciation of its many admirable qualities.
Gordon Russell
(Designer's Trade, 1968)

SIR GORDON RUSSELL, distinguished furniture designer who died last year at the age of 88, came to know a great many antique dealers, having been one himself in a small way in his early days. Put in charge in 1908 of the workshops at the Lygon Arms hotel, at Broadway, Worcestershire (the old coaching inn acquired four years earlier by his father), he bought and repaired antique furniture.

In the "Memories of the Antique Trade" chapter in his entertaining, yet modest, autobiography, *Designer's Trade* (Allen and Unwin), he admitted he would never have made a very *successful* dealer "for I was interested in things because of their beauty of shape, their colour or the way they were made, much more than their rarity or cost."

His knowledge of design grew from "looking at good old things, always a sound background," and he insisted that this was how he had always learned, "by looking, handling and experimenting, rather than by any formal instruction."

It was this that lead, in 1919, to the formation of a family furniture business, where he designed pieces himself. Without the acute business acumen of that other doyen of 20th-century furniture design, Sir Ambrose Heal, born two decades earlier, who was that rare combination of talented designer and enterprising shopkeeper, Sir Gordon (he was knighted in 1955), concentrated on quality of design. And from the start the whole operation was a passionate reaction against the destruction of war from which he had just returned (he was awarded the Military Cross), and the imitation of things just because they were old.

One of his major concerns was the complementary use of the machine and handwork. He had a great respect for C. R. Ashbee's Guild of Handicraft craftsmen, many of whom became his friends when they stayed on in the Cotswolds after the guild broke up; and he acknowledged that his own firm's earliest efforts were directly inspired by that talented rural craftsman-cum-architect of the period, Ernest Gimson. Yet Russell did not have any desire to acquire their somewhat "precious" outlook on life, which cut them off from the mainstream of events.

For him design affected the whole pattern of life and was an essential part of the good life. Beauty too was important. That it should be classed as an extra and come far down the list of necessities was a wicked heresy that had grown up with the industrial revolution.

In an authoritative new book, *Gordon Russell*, by Ken and Kate Baynes, his son-in-law and daughter, he summed up his feelings even more strongly about the complementary use of the machine and handwork: "I disagreed entirely with the Arts and Crafts movement which felt that the machine was the very devil and wrecked everything. It wasn't the machine, it was the man behind the machine." Even so the authors point out that a substantial amount of metalwork which was carried out at Broadway in the 1920s (candlestick *holders*, *firescreens*, *lamps*), were clearly influenced by the Arts and Crafts movement.

Walnut cabinet inlaid with ebony, box, yew and laburnum, awarded gold medal at the Paris Exhibition 1925, at the Gordon Russell exhibition which opened at the Design Centre this week until July 4.

The book complements a significant exhibition of Sir Gordon Russell's work, organised by Sarah Farley, which opened this week until July 4 at the Design Centre, 28, Haymarket, London SW1. A natural venue, of course, as he was director of the Council of Industrial Design for 12 years from 1947, and was instrumental in getting the Design Centre opened in 1956.

The exhibits have come mainly from Lady Russell, who still lives at the family home, Kingcombe, Chipping Campden, Gloucestershire, which they had built in 1925, and added to over the years, *from the Lygon Arms*, and from the present works at Broadway, which now specialises in sophisticated ranges of office furniture.

One of the most striking exhibits is the finely made many-drawered cabinet awarded a gold medal at the Paris Exhibition of 1925, skilfully worked in English walnut inlaid with ebony, yew, box and laburnum. Remarkable too, is the chest of drawers designed by Sir Gordon for Lloyd George in 1928, using wood from a holly tree which *had blown down in L.G's garden* in Churt. Its designer referred to it as "a tricky job as the timber wasn't seasoned and he wanted it at once."

Also on show are the series of radio cabinets made for Murphy Radio during the 1930s, when the furniture firm in common with others during the depression, were going through a difficult patch. To ensure survival it was necessary to concentrate on lower-priced mass-produced pieces.

The original sample for Murphy of solid walnut with two veneered plywood panels, with a loudspeaker opening with a grid in front of the grey silk, had to take quite a bit of heckling from the dealers before it was accepted. Yet the model eventually influenced the design of all radio cabinets sold in Britain.

With the gradually developing interest in furniture of the 1920's and thirties (the Hille exhibition on at the Victoria and *Albert Museum* until May 30 has attracted considerable attention to the designs of the period) collectors are already on the look out for early Russell pieces. One enthusiast I know of has one of the splendid 1920's cabinets of maple and laburnum-oyster inlay, which is currently being restored at the factory, and various items have surfaced at Sotheby's Belgravia over the last few years. In 1978 a chest of drawers with unusual walnut handles plus an interesting constructional feature of octagonal legs, first produced about 1924 fetched £280, a matching wardrobe £370, and a swivel mirror with a drawer, £140.

The great thing about Russell furniture is, in general, the informative way in which it is marked. For instance, in one sale an oak writing table with the same frieze decoration as the previously mentioned bedroom suite, was stamped Design No.: 138/6019, Designer: Gordon Russell: Foreman: F. Shilton, Cabinet Maker: H. *Alloway, Timber used: English* oak, walnut and boxwood; Date 5.1.31. One could not ask for much more attention to detail than that.

Run up to the U.S. Open

GOLF

BEN WRIGHT

A MONTH remains before the U.S. *Open Championship* returns to Merion Golf Club in Ardmore, Pennsylvania, when this renowned club will be staging the event for the fourth time, and its 15th major championship in all. It is not at all coincidental that the largest number of entries ever *received by the United States* Golf Association—4,946—for its Open are hoping to survive local, sectional and regional qualifying tests beginning this week and play over Merion's famed East course. Because 52 players are exempt from all qualifying competitions, and three more, former champions Arnold Palmer, Gary Player and Lou Graham have been granted special exemptions, this means that nearly 5,000 golfers will be competing for 101 places in the championship proper's starting field of 156—a mind-boggling statistic.

Sandy Lyle, by heading the 1980 European Order of Merit, Greg Norman, by heading the 1980-81 Australasian, and Seve Ballesteros, for winning the 1979 Open, are the only regular European tour stars exempt from all qualifying tests. Bob Charles (Open champion in 1968), Peter Oosterhuis (Ryder Cup player in 1979), Bobby Cole (current South African Open champion) and Australia's Jack Newton, who finished in the top 30 in last year's USPGA *Championship*, are "foreign" invaders exempt from local qualifying only, but the event has nowhere near the international flavour of our own Open.

What makes Merion such a fascinating venue is that it is the shortest course at 6,544 yards ever used in the U.S. Open, and there are those who believe that if 60 is ever to be broken in a major championship it will be in this cramped arena on the outskirts of Philadelphia.

It seems to me that the crucial factor involved in such heretical speculation is the weather. A hard winter on the eastern seaboard followed by a dry spring that further stunted growth of the rough will be offset by the consequent firmness and excessive speed of the greens, which can be very difficult to hold and incredibly tortuous to putt from above the hole. But if those greens were to receive a prolonged soaking in the month intervening, just as surely their easing both to hold and putt might be compensated for by some tigerish rough.

One of the most exciting experiences of my golf watching career came about before the 1971 U.S. Open. Because of the *time differential* and our inability to sleep two Australian writers and myself went out to Merion from our hotel at crack of dawn on the eve of the championship, despite a relentless drizzle. By chance we came across Lee Trevino, who was going out alone to play his final practice round, and he invited us along. At each successive hole he nominated, and shaped the exact shot he required to finish below the hole, which he knew was essential to the winning of the title. Duly impressed by the uncanny virtuosity of Trevino's shotmaking, I was deputed to telephone my bookmaker in London with a sizeable wager. The rest is history. Trevino tied with Jack Nicklaus at *level par* 280 after 72 holes. In the 18-holes play-off Nicklaus took two shots to extricate his ball from bunkers at both the second and third holes, and Trevino ran out a comfortable winner by 68 to 71. In the space of the most golden month of his career Trevino was also to win the Canadian Open and the British title at Royal Birkdale.

What was so compelling about the event was that the two best golfers in the world at the time had tied at level par, a startling justification of a wonderful golf course. Yet six of Merion's par fours measure less than 400 yards each and at one, the 312 yards 10th, the green can be, and has been *driven, as has the bunker in* front of it many times. Its two par fives, the narro wand uphill 535 yards second and 600 yards fourth are usually played as three shot holes, particularly the latter, in front of whose green runs the creek that figures so prominently at the famed 370 yards 11th hole.

It was at the latter that the great Gene Sarazen took seven to allow a then virtually unknown Californian Olin Dutra to beat him by a single stroke in Merion's first U.S. Open in 1934. It was also at the 11th that Bobby Jones completed the "Grand Slam" in 1930 by finishing off Eugene Homans by 8 and 7 there in the final of the U.S. Amateur, having already won the British Open and Amateur titles at Hoylake and St. Andrew's respectively, and the U.S. Open at Interlachen.

One of the most famous photographs in golf history shows Ben Hogan, just 16 months after his nearly fatal car crash, playing his second shot with a one iron to earn him his par four at the 458 yards 18th hole to tie George Fazio and Lloyd Mangrum with a total of 287 in the 1950 U.S. Open. Hogan scored 69 the following day easily to win the play-off. Legend has it that Paul Runyan, *a notoriously* short hitter, was so daunted by the length and narrowness of the carry from the 18th tee that he hit a wedge shot to the ladies' tee and a fairway wood from there. But I believe Runyan, although he talked about doing so, never carried out his threat during the championship.

Like three more of the best courses in America, Pebble Beach, nearby Pine Valley and Oakmont, Merion was designed by an untrained amateur architect, Scottish-born Hugh *Wilson, who was sent home to* study the great British courses before laying out his one and only masterpiece—he died at the age of 46—in 1911. Wilson brought back from Sunningdale the idea of wicker baskets instead of flags atop the flagsticks so that they could be seen from any angle, but did not reveal the strength and direction of the wind. These are still Medion's trademark, although nowadays made in Hong Kong!

RACING

DOMINIC WIGAN

THE AGA KHAN, who must now be looking to Shergar in the Derby with hope bordering on confidence following his *lightening first ever trip to* Chester, should land another group prize today. At Newbury his leading older horse with Michael Stoute, Dalsaan, is expected to outpace Belmont Bay, Bel Bolide and Hilal in the Tote Lockinge Stakes.

A major disappointment in last year's St. James's Palace Stakes at Royal Ascot, for which race he was considerably more fancied by his handler than second placed stable companion, Final Straw, Dalsaan returned to the fray on a much brighter note at Haydock a fortnight ago. *An 11-8 on chance there in the* 7 furlong Cold Shield Windows Trophy, in which he received 12 lbs from Known Fact, Dalsaan was always travelling in the manner expected of an odds on favourite. Driven into the lead inside the final furlong the Habitat bay forged clear of Jebb Lane clos home to win, pulling away, by one and a-half *lengths, from that rival.* Davidgalaxy Affair and the bitterly disappointing Known Fact were a dozen lengths and more back in third and fourth place.

Dalsaan, who has worked with *tremendous zest since that* emphatic success will, I suspect, prove equally effective over today's additional furlong. I expect his class to carry him through to victory over Bel *Bolide* whose break for home three furlongs out in the 2,000 Guineas nearly enabled him to slip his field. At the post he was third, only two lengths adrift of To-Agori-Mou. The presence of Bel Bolide in today's race for which the Horserace Totalisator Board has given £20,000 should enable an interesting comparison of the different generations.

Fred Winter has notched a good many memorable successes at Newbury, both in the saddle and as a trainer. However, they have been achieved in the *National Hunt field.* This afternoon I hope to see him break new ground by landing a noted Flat stayer's prize, the extended mile and five furlongs Aston Park Stakes. Winter relies on *his leading long distance* hurdler, Derring Rose, who is preferred to Mirror Boy.

Those top class fillies of a few years back, Abergwaun and Roussalka may both be responsible for winning colts this afternoon. Roussalka's handsome son, Northern Supremo, put in an eye catching display at odds of 25—1 in the *Tudor Stakes* at Sandown recently where he finished fourth of thirteen behind Home Coming. He will not, on his display there, have any trouble in getting the additional three furlongs of the Shaw Maiden Stakes. His stable companion Algardi, a sharp looking son of Abergwaun, proved too smart for market rival, House Pitch on his debut in the *Chevington Stakes at* Newmarket and he should follow up there in the Felix Leach Stakes.

NEWBURY
2.00 Super Act
2.30 Derring Rose
3.00 Dalsaan***
3.30 Norfolk Flight
4.00 Enchantment
4.30 Northern Supremo

NEWMARKET
1.45 Balcanoona
3.45 Algardi*
4.20 Protection Racket**

CHESS

LEONARD BARDEN

A novel and interesting match was staged earlier this year at the Argentinian resort of Mar del Plata where teams of four-a-side representing Europe and America met in a double round series. Each *player met the opposing team* members twice, but there were no games between players on the same team.

Europe, though lacking Russians, consisted of four grandmasters of world title candidate strength, while America (three GMs from the U.S. and one from Argentina) looked weaker on paper and *proved so in practice. Europe* won 19½-12½, and individual totals were Andersson 6, Ljubojevic 5, Larsen 4½, Portisch and Christiansen 4, Browne 3½, Quinteros 3, Seirawan 2½. The first four names are Europeans. Larsen looked sure of the individual award until near the end when, as in some other recent events, *he ran out of steam and lost* his final three games.

This pairing system known as the Scheveningen after a small Dutch town which staged a prototype in 1923. It deserves a revival as a method of reducing the cost and organisational problems of international chess. For example, it seems possible under World Chess Federation (FIDE) rules to stage a three-a-side, triple round match tournament between British players and overseas masters where a *good result by a home team* member would qualify as a FIDE title norm. In fact the Scheveningen system has long fallen into disuse here, and the last time it was used in a major event was Ramsgate 1929 where a world team headed by Capablanca easily defeated their British opponents.

Ulf Andersson of Sweden was *a convincing overall winner in* Mar del Plata, though there is a sobering rider to his success in the table of the Moscow tournament given last week where Andersson scored under 50 per cent. His win against Walter Browne, three times U.S. champion, was the most eventful game of the match tournament.

White: *U. Andersson*. Black: W. S. Browne. English Opening (Mar del Plata 1981).

1 P-QB4, P-QB4; 2 N-KB3, N-KB3; 3 P-KN3, P-Q4; 4 PxP, NxP; 5 B-N2, N-QB3; 6 N-B3, P-KN3; 7 0-0, B-N2; 8 NxN, QxN; 9 P-Q3, 0-0; 10 B-K3, BxP.

The "poisoned pawn" capture of the QNP has become a household phrase among chessplayers since a celebrated Fischer-Spassky match game where Fischer lost after taking the pawn. But here a bishop rather than a queen makes the capture, and despite the consequences the move may be playable, even best. John Watson's Batsford monograph on the English Opening recommends 10 ... B-Q2 as a solid way to keep the game level, but world champion Karpov cast doubt on this assessment when he continued *against Ribli at IBM Amsterdam* 1980 by 11 N-Q4, Q-Q3; 12 NxN, BxN; 13 BxB, QxB; 14 R-B1, Q-K3; 15 RxP, QxRP; 16 R-QN5, P-N3; 17 Q-R1 with endgame pressure which Karpov turned into a win.

11 R-N1, B-N2?

The real mistake, according to Watson: the bishop should retreat to KB3 to guard the KP which otherwise becomes vulnerable after White's RxQNP or BxQBP.

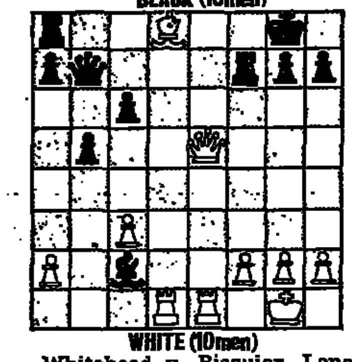
12 Q-R4, Q-R4; 13 R-N5, P-K4; 14 BxP, R-K1; 15 B-K3, R-K2; 16 KR-N1, P-QR3; 17 P-R4, P-R3; 18 N-Q2, R-N1; 19 R-B5, N-Q1.

Black's game has deteriorated fast. Now Ljubojevic, looking at the board over Andersson's shoulder, noticed the tactical coup 20 RxB! RxR; 21 B-B3, Q-B4 (or P-QN4; 22 Q-R3, P-N5; 23 RxNP); 22 B-N4 winning a piece. Andersson, immersed in his strategic plans, failed to spot it, but the game continuation is still very good for White.

20 B-B3? Q-B4; 21 Q-B2, B-Q2; 22 N-K4, B-QB3; 23 N-Q6, Q-Q2; 24 BxB, QxN; 25 B-B3, P-QN4; 26 R-QB1, N-K3; 27 R-B6, Q-R6; 28 Q-N3, Q-R4 (if he exchanges queens White's rooks and bishops dominate the board by 28 ... QxQ; 29 PxQ, P-QR4; 30 R-R6); 29 B-Q5, and Black overstepped the time limit. His game was in any case approaching resignation point. If 29 ... N-B1; 30 BxP ch, RxB; 31 R-B7, while if 29 QR-K1; 30 B-N6, Q-Q7; 31 R(6)-B2 when Black can only save his queen by 31 ... N-Q5 losing a piece.

POSITION No. 371

BLACK (10men)

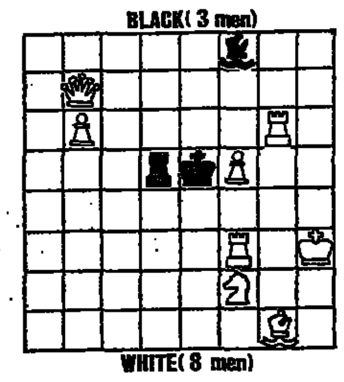


WHITE (10men)

Whitehead v. Bisguier, Lone Pine 1980. White (to move) has a strong attack, but still has to find a clear winning line. What should he play next, and how should the game go?

PROBLEM No. 371

BLACK (3 men)



WHITE (8 men)

White mates in two moves, against any defence (by B. G. Laws).

Solutions Page 12

BRIDGE

E. P. C. COTTER

IT IS ALWAYS satisfying to bring off a squeeze, an endplay, *or some such coup, but* personally I get great pleasure from the unusual plays which occur from time to time. In looking through my archives I came across two very fascinating hands which I played some eight years ago.

The first occurred at rubber bridge:

N
♠ 10 6 5 2
♡ 10 7 4
◇ K Q 7 3
♣ K Q

W
♠ A 8
♡ K Q J 9 8
◇ A 8 4 2
♣ 10 3

E
♠ J 9 7 4 3
♡ 6 5 2
◇ 9
♣ 9 8 4 2

S
♠ K Q
♡ A 3
◇ J 10 6 5
♣ A J 7 6 5

East-West were vulnerable and had a partscore of 40 when I dealt in the South seat and opened the bidding with one club. West doubled, my partner said one no trump, and East passed. I rebid two clubs, not because I was not satisfied with the no trump contract, but because I wanted to give our side every chance of holding the contract. West said two hearts, and North, reassured by my rebid, raised to three clubs, which became the final contract.

West led the heart King, and I summed up the position. On *the surface it appeared that* I had only three losers, one in each side suit. But if I won the heart lead, cashed dummy's two trump honours and *attempted to return to* hand with a spade, it was just possible that I might be subjected to diamond ruffs. I decided, therefore, to prepare for a safety play.

Winning with my heart Ace, I led a club to the Queen, and returned the King, overtaking with my Ace. If the suit broke 3-3, there was no loss; if it broke 4-2, I would set up a trump trick for one defender—probably East—but I would eliminate all danger of diamond ruffs.

When I cashed the club Knave, *West failed*, and I had set up a trump trick for East. But my contract was safe. Had I not adopted this line of play, West, who was an expert, would certainly have cashed his diamond Ace and set up two ruffs for his partner.

The second deal occurred in The Guardian Pairs:

N
♠ 3
♡ Q 9 7 3
◇ A K 10 6 5
♣ J 9 3

W
♠ K 9 7 2
♡ A 8 6 4
◇ J 3
♣ K Q 4

E
♠ 10 8 6 5 4
♡ J 2
◇ Q 8 2
♣ A 10 5

S
♠ A Q J
♡ K 10 5
◇ 9 7 4
♣ 8 7 6 2

At game to North-South, my partner in the North seat dealt and bid one diamond, and I replied with one heart. This was not meant to be clever, but it is, in my opinion, the best response. North raised to two hearts, and all passed.

West led the club King, and the defence cashed the first three tricks. East returned a spade, my Queen lost to the King, and West led back the Knave of diamonds. I won with dummy's King and returned the three of hearts, finessing my ten, which held the trick. I now cashed my two spade honours, discarding diamonds from the table, and led a diamond to the Ace—if West ruffed, he would be ruffing a loser. But he followed suit. I won with dummy's Ace, and returned the seven of hearts to the Knave, King, and Ace. West played his nine of spades, which I ruffed with my last trump, the five.

At this stage dummy holds Queen, nine of hearts, West holds the eight and the six, and I am left with the diamond nine and the club eight. Dummy has no tenace over West, so it is not exactly a trump coup, but when I led my club, West had to ruff, and I was able to pick up both his trumps for my contract and a good share of the match points.

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Saturday May 16 1981

Reminders of turbulence

IF ANYONE needed a reminder to take nothing for granted this week's events should have provided it. Most people had already become accustomed to organised terrorism as a risk of public life. There are cycles in the level of violence as in everything else.

The relative calm of the 1950s and early 1960s was not, unfortunately, a normal state of affairs, but a historical interlude. There have been many periods of history characterised by assassination attempts on public figures: and until the attack on the Pope some comfort could be derived from a longer term look.

But the attempt on the life of the world's best known spiritual leader marks a new stage in the drift to violence with very few historical parallels. No one is safe and nothing is sacred from the activities of deluded fanatics with guns in their hands.

Victim

We have had a reminder of how much is expected from leaders of all kinds and the risks they run. The defeat of President Giscard d'Estaing is an event of a very different class. It shows, however, that political regimes are as frail and mortal as human beings who designed them. The former President may have been a victim of the excessive economic expectations which voters nowadays have from governments. But there was also an element of revolt against the increasingly monarchical rule which the outgoing President seemed to be establishing.

The full significance of the result will not be clear until after the parliamentary elections in a few weeks' time. But the human inclination to give a new man a chance could easily triumph over normal party preferences and provide the new President with a workable majority. Even if it did not, he could dissolve Parliament after [illegible] months on an issue of his own choice. Nor is M. Mitterrand likely to be as dependent on Communist support as some fear. The Communists could only turn out a Mitterrand government by voting with the right-wing parties in a motion of censure which has to be carried by a majority of all deputies. The Communists could be powerless as the supporters of M. Chirac were under President Giscard.

The real trouble is different. Anyone with a knowledge of A-level French or O-level Economics who has seen M. Mitterrand on television must have been taken aback by the out of date fallacies and slogans that the new President has been putting out in the name of Socialism. There have been not only routine attacks on the international corporations, but calls for price freezes, nationalisation, increased minimum wages and compulsory reductions of working hours, as if nothing had been learned from the experience of other countries with these notions.

Attempt

There is no shortage of sophisticated French bureaucrats, bankers and economists to reinterpret these slogans in order to reassure financial opinion and French allies. But it is possible to be too clever by half on these matters. The odds are that M. Mitterrand will make a sincere attempt to implement at least some of his programme. The foreign exchange markets are not behaving altogether absurdly in assuming that French policy may now have a more inflationary bias.

Anxieties about the French franc are transmitted to other currencies through the European Monetary System. The problem is not simply that of the franc's weakness against other EMS currencies. If any important member of the EMS is weak, this drags down the whole band of currencies. Thus events in France have added to the forces making for a strong dollar and a weak D-Mark. This is the last thing that the German Chancellor, Helmut Schmidt, wants.

The Berlin defeat of his party increases the pressures on him to "reflate" the German economy. On the other hand the Bundesbank has been pulling in the opposite direction because of its concern with the inflationary threat posed by the Mark's depreciation.

Competition

Britain has been on the sidelines of these stirring events, but nevertheless very much affected. Sterling has been weak against the dollar, in which many important commodities are priced, but strong against continental countries where the main bulk of export competition is to be found. On balance, however, the trend of sterling has been downwards.

Up to now the fall has been welcome to British policymakers. But it could not continue very much further without calling into question the Government's resolve to bring inflation well into single figures. The wholesale price indices were not as bad as they appeared. But they suggest at least a pause in the reduction of inflation, and they have to be seen in relation to the fall in gilt-edged prices to a level suggesting that markets expect double digit inflation for a number of years. The Government will have to be more cautious about interest rate reductions than it hoped it could be at the time when it surprised the market with its tough Budget.

A YEAR OF CHANGE

Europe 1981: the old pattern is under pressure

By W. L. Luetkens

The old order changeth, yielding place to new,/ And God fulfils himself in many ways,/ Lest one good custom should corrupt the world.

THUS Alfred Lord Tennyson more than 100 years ago. In more humdrum language, thing's aren't what they used to be, and what worked yesterday may fail today. Such is the picture presented by Western Europe.

The tasks of the immediate post-war era have been accomplished beyond the wildest hopes of that grey time. But the patterns then created are now shifting.

The victory of M. Francois Mitterrand in the French election has loosened what had come to seem the lynchpin of the Common Market, the Bonn-Paris relationship.

The role of Nato is up for debate: unilateral nuclear disarmers are gaining ground in the socialist parties. Yet the vulnerability of Western Europe's sources of oil in the Middle East has produced pressures for it to take a more active political, and perhaps even military, role in that dangerous area.

The European Community is waking up to the suspicion that the common farm policy, once considered its lifeblood, may have become its poison. Nobody knows what M. Mitterrand will eventually mean for a reform of the EEC budget, though an optimist might hope that a France ruled by a working class Left could prove slightly less wedded to the interest of its *agricultural peasantry*.

The explosion of the oil price and the recession have shown up weak spots in even the most successful European economies. Current account deficits almost everywhere testify to the need to restructure economies or to accept lower standards of living—or even both. Unemployment is another symptom, even in the strongest economies.

Some of the richest countries have intractable budget deficits, a sure sign that contending groups are struggling to preserve or increase their slice of the national cake.

All this is true. But it is true also that, almost without *exception, Western Europeans* are more affluent than ever before. They have enjoyed a longer period of peace in their own corner of the world than during every other period of their history. That peace does not look threatened anywhere, whatever the threats from without or conflicts elsewhere.

A look at some countries in continental Western Europe shows that although individual situations may differ certain

The man in the helmet has become a familiar figure across Europe. He is a symbol of the way in which people seem now more ready to resort to violence, often for political reasons. At the same time the pressure for fundamental political change through the ballot box is altering the old post war patterns of Europe and several countries may have reached an important turning point this year.

themes recur. Change is occurring, imminent—or needed—almost everywhere. The following account which inevitably cannot do more than scratch the surface, shows how many countries have reached an important turning point this year.

(At the head of each country section the current account surplus [+] or deficit [−] is given as a percentage of GNP, the growth rate is for 1980, adjusted for inflation, the unemployment figure is the latest crude ratio available.)

SPAIN. Current account −2 per cent, growth ½ per cent; unemployment 11.9 per cent.

Spanish democracy is poised uneasily between the authoritarian inclinations of a top heavy officer corps and terrorism of Right, Left and

The role of Nato is up for debate

Basque autonomists. An army coup in February only just failed.

The impetus given to the economy by the availability of cheap labour and the prospect of EEC membership has petered out. Despite unemployment (which far surpasses the official figures), the political parties of the Left have rallied to the *defence of the system*. Its equilibrium cannot but be unstable.

FRANCE. Current account −1.3 per cent, growth 1¾ per cent, unemployment 7.4 per cent.

M. Mitterrand's victory cannot become complete unless he gets the parliament he wants. The pattern so far puts him into a position to contain the Communists if he so wishes. But if Communists serve in the government this will be a maojr breach with the past.

The president-elect's plan to nationalise the banks and 11 top industrial concerns is drastic—but need not be as drastic as it looks. State control of the banking system is already widespread and the example of Renault shows that state-owned companies can be run like normal and successful commercial enterprises. However, the job creation programme has an inflationary smell to it, and may portend an all-out attempt *to keep alive declining* industries.

In foreign affairs, M. Mitterrand has been careful to distance himself from Moscow, creating a fertile field for conflict with the Communists. Within the European Community, the possible break of the Bonn-Paris axis could conceivably mean more freedom of manoeuvre with Britain coming into play more as the third of the Big Three. But the odds are that Paris will remain an awkward partner.

WEST GERMANY. Current account −1.7 per cent, growth 1.75 per cent, unemployment 4.7 per cent.

Defeat in the Berlin elections has not bowled over Herr Helmut Schmidt's coalition with the Free Democrats of Herr Hans-Dietrich Genscher, but has increased doubts about its long-term cohesion. It is important to bear in mind that possible alternative coalitions would be more, not less, dedicated to the market economy.

Severe current account deficits and a Chancellor struggling against the Left in his own party are an unaccustomed sight. Moreover the recession has shown up the weaknesses in Europe's model economy: the all-important motor industry is struggling against the Japanese.

Germany has felt the power of single issue groups which, for instance, have brought the German nuclear programme almost to a halt. Perhaps the people because of their very wealth have been slow to learn the lesson of the recession: the biggest item in the current account deficit derives from their unbroken love of foreign travel.

ITALY. Current account −2.5 per cent, growth 3¾ per *cent, unemployment 8.8 per* cent.

The Italian Communist Party, the largest in Western Europe, has been knocking at the doors of the cabinet for so long that one may wonder whether it will ever make it. Recently it suffered a reverse when Sig. Bettino Craxi, leader of the much smaller Socialist Party, got *his* party's approval for continuing to support the Christian Democrat-led coalition of Sig. Arnaldo Forlani.

But terrorism is rife and the situation remains unstable, in an economy that has gone onto the rocks after the "miracle" of the 1960s. Yet in Italy things hardly ever really are as they seem: a thriving black economy provides bread for many people, and even the Communists do not run true to form:

NETHERLANDS. Current account —1.5 per cent, growth ½ per cent, unemployment 6.7 per cent.

Elections take place in 10 days' time. The right-of centre coalition of Mr. Dries van Agt is in danger. The vote could bring to power Mr. Joop den Uyl, leader of the Labour Party, the largest in the country.

Mr. den Uyl does not go along with the strong sentiment in the party to take the country out of Nato but he, too, opposes the stationing of the new theatre nuclear weapons in the Netherlands.

Dutch society has suffered from a strong squatters' movement in the towns, and has had difficulties adjusting to the wealth brought by rich but finite natural gas resources.

BELGIUM. Current account —5.6 per cent, growth 1½ per cent. Unemployment 10.5 per cent.

Political life is infinitely complicated by the differences between French and Dutch speakers, aggravated by the fact that French-speaking Wallonia is the home of the hard-hit traditional industries. Government is carried on by shuffling and re-shuffling the same political faces which does ensure *stability, of a sort*.

The recession has brought out structural weaknesses with a vengeance. Coal and steel, once the foundation of prosperity, are in deep trouble, and the drive to bring in foreign-owned manufacturing industries has come to a halt.

DENMARK. Current account *−4.1 per cent, growth* −½ per cent, unemployment 9.3 per cent.

Mr. Anker Joergensen, the Social Democratic Prime Minister, is in danger from a dispute about the closed shop. His government is in a minority and needs the support of one or the other bourgeois parties to keep going: that support is now in question, because the Social

In Italy things are rarely what they seem

Democrats cling to the closed shop against the wishes of the other parties.

SWEDEN. Current account −4 per cent, growth 2½ per cent, unemployment 2.5 per cent.

The anti-socialist coalition of Mr. Thorbjorn Falldin has fallen apart. If attempts fail to patch it up, Mr. Olof Palme, *Social Democratic Prime* Minister until 1976, is waiting in the wings to regain power. Mr. Palme might gain the tacit support of one of the coalition's members: otherwise he must stake his hopes on an election due no lated than September 1983.

Five years of anti-socialist rule have barely dented the original model of a welfare state, nor have they contained an exploding budget deficit.

NORWAY. Current account −1½ per cent, growth 3 per cent, unemployment 1.1 per cent.

Dr. Gro Harlem Brundtland, the Prime Minister and a very determined woman, has steered the Labour Party Government towards a recovery in public favour: she may be able to avert the defeat originally forecast for her party in the elections next September.

The country has been made wealthy by North Sea oil, but these riches have brought with them heavy inflationary pressures

GREECE. Current account −5 per cent, growth ½ per cent.

The latest recruit to the EEC has not yet had time to prove that the benefits expected from membership will really materialise. Elections are expected in September which could mean the end of the right of centre government of Mr. George Rallis. If so, the wrench might be less violent than once expected: his rival, Mr. Andreas Papandreou, a Socialist, has moderated his former rejection of membership in Nato and the Community. But the dispute with Turkey, centering on the Aegean and its myriad islands, remains a crisis of more than local importance.

TURKEY. Current account −5 per cent, growth −½ per cent.

A *mountain of foreign debt* and internal chaos with 15-20 murders a day prompted a military takeover last year. The murders have stopped, the debts are still there. The acceptance of the military regime, however grudging, by the outside world says much about the state of the country.

On many European shoulders authority no longer sits easily. That, and much besides, is true also in the East: think of Poland.

Letters to the Editor

Sterling

From the Chairman, S. Daniels and Co.

Sir,—You prominently feature an article (May 13) which discusses the sharp rise in the cost of raw materials that industry faces as the pound falls. Soon after Mrs. Thatcher's Government came into power industry was complaining through the media that selling their finished products abroad was impossible because of the strength of Sterling.

As raw materials importers, much of which goes to British food manufacturers, we have been only too well aware of the help the strong pound has given to the manufacturers in either holding or quite often reducing the price of their end products so we as a company have been advocates of a strong pound not only because this does help industry but also it is a very considerable aid to slowing down the rise in the cost of living and in some cases in reversing it.

Unhappily, industry is going to find it more difficult to cope with weaker sterling than a strong pound because British exporters were just beginning to cope successfully with a strong pound. Yet in all the time that we had a strong currency here there was never an article in the national press applauding that situation from an industrial point of view, only unbridled and unjustifiable pessimism.

S. Daniels.
Wilec House,
82-100 City Road, EC1.

Imports

From Professor H. Pick

Sir, — The first paragraph of "Industry faces sharp rise in costs as pound falls" (page 1, May 13) draws attention to the recent sharp increase in raw materials prices, with the implication that this will have adverse effects on the trading position of UK industry.

There may indeed be some such effects. But raw materials (crude materials and mineral fuels) have accounted for a decreasing proportion of UK imports since the 1950s. Self-sufficiency in oil implies a situation in which non-food raw materials only account for about 10 per cent of imports, some 2 per cent of GNP.

It is manufactures which have come to play the dominant role in imports. Among these are "materials" such as steel and paper: but steel and paper products are not raw materials, but manufactures: trade in these is not primarily dependent on raw materials prices, but on the competitiveness of the UK industries manufacturing them.

(Professor) H. J. Pick.
University of Aston in Birmingham,
Gosta Green, Birmingham.

Pensions

From the Director of Information, Company Pensions Information Centre

Sir,—While many pension schemes involve some measure of redistribution between various members, Mr. Grant (May 11) goes too far in suggesting that the trustees "steal" money from those who leave a scheme in order to give it to those who stay. The crux of his accusation is that many funds freeze the pension of a departing worker at the date of his leaving, even though the pension is not paid out until retirement. He goes on to argue that the interest earned on this pension between the date of departure and retirement is paid to other members. This reveals some misunderstanding of the way in which interest operates.

Mr. Grant seems to assume that the pension is bought on such terms that it could be paid out straight away at the date of leaving so that if it is not paid out immediately then someone is benefiting from the interest earned on that pension. The true position is that the money paid in to buy each pound of pension is relatively low, because allowance is made for the fact that each payment will earn interest at some assumed rate all the way up to retirement, and only then will the pension commence to be paid. It is true that the interest earned in practice may be greater than the rate originally taken into account in calculating the cost (though other factors like the expense of running the fund may turn out to be less favourable than assumed) but if the surplus interest goes to benefit other categories that surely does not justify Mr. Grant's use of the word "stolen."

Mike Brown.
7, Old Park Lane, W1.

Untransferable

From Mr. J. Runciman

Sir,—Most members of a private sector occupational pension scheme leave before their normal retiring age and do not collect their full pension entitlement, thus reducing the cost to the employer.

In my own case, which is not untypical, I have a paid-up pension of £19 p.a. payable at age 65 in respect of six years service between 1964 and 1970. My salary was around £6,000 p.a. when I changed jobs.

Had I been in the public sector and changed to another job within that sector, with full transferability, my prospective pension for these six years could have been six-sixtieths of, say, £30,000 final salary in 1988, i.e. £3,000 p.a.—inflation-proofed, of course.

J. M. Runciman.
64, Crouch Hall Road, N8.

Security

From Judith Pierce

Sir,—As a regular visitor to the Stock Exchange I now find I am forced to hand over my handbag at the reception desk before I can visit the public gallery.

While I can appreciate the need for additional security, has the Stock Exchange realised the implications of this new measure? A would-be terrorist could simply leave a bag containing a timed device and not re-claim it. He could then make good his escape in the sure knowledge that he would be miles away when the explosion occurred.

In the event of an evacuation of the Stock Exchange women would be very loth to leave their handbags in an empty building and panic could ensue. All sorts of problems could arise if an unscrupulous member of the public were to claim that money was missing from her handbag. In the case of a disaster identification would be impossible since most women keep such documents in their handbags.

Would not a search of hand luggage be more appropriate and afford greater protection although of course additional staff would be needed to carry out such a procedure?

I would point out that depriving women of their handbags would also cause a great deal of resentment, as it would, if men were forced to hand over their wallets.

Judith M. Pierce.
22, Woodrush Way,
Chadwell Heath,
Essex.

Debates

From Professor J. Mitchell.

Sir,—Peter Riddell (to whom congratulations on his award) in the Lombard column of May 12 takes the Treasury and Civil Service Committee to task for debating the theory of monetary policy. *I think he goes too* far.

He observed that the committee's most useful work is hearing and publishing evidence. That is certainly so (and was also true of, for instance, the Wilson committee on the City). He further observes that it is wrong for such committees to try to produce agreed conclusions on matters where there is no agreement of theory or of appropriate policies. The Wilson committee explained explicitly at appropriate points that it, or any similar body, could not agree on such questions. The Treasury Select Committee also in effect makes it quite clear that, given the evidence, its agreement is about the implausibility or absence of certain evidence of a theoretical kind, which is surely a very proper concern for it.

Any Government, of any party of inclination, has to base itself on some analytical view of crucial relationships in the economic system (and that includes a view that the economic system would function better in some respect with an absence or severe curtailment of Government policy). The understanding of Government members, other politicians and other interested parties, be they economists or not, is improved by an appreciation of the weaknesses and limitations of the flat statements that are too often taken to represent some demonstrated (or demonstrable) truth about the economy.

Far from danger lying in committees debating theory, I suggest, sir, that danger and emasculation for the committees lies in avoiding the theoretical debates, in the mistaken belief that they are to be resolved, or even sometimes clearly disentangled, by the professionals only.

(Professor) Joan Mitchell.
University of Nottingham,
Department of Economics,
University Park,
Nottingham.

Wavepower

From the Technical Director, Wavepower.

Sir, — David Fishlock correctly reports (May 13) that the present phase of the Department of Energy's wave energy programme is geared towards a detailed appraisal of the present systems under study in March 1982. Any well-managed R&D programme has review stages of this sort.

At that time I hope wave energy systems will be honestly judged on their merits. Several systems were showing costs in the 4-6p/kW-hr range two years ago, with some disagreement between the optimists and pessimists as to where the most probable costs lay. The purpose of current studies is to establish the likely performance and the costs of construction, installation and maintenance, in very much greater detail so that these cost figures can be substantiated. There is a wide involvement of major UK engineering companies in these studies, so they are not mere academic exercises. Everything to date in the studies we are co-ordinating is confirming our earlier expectations. Obviously there have been gains and losses, as there would be in any development programme, but overall I have seen nothing to remove my confidence that we will achieve the target cost of 5p/kW-hr of delivered electricity, and that the companies concerned with the studies will have the confidence that the equipment can be built, and be ready to begin work on prototypes.

We are currently looking forward to next March in confidence, and find it hard to understand the expressed pessimism in your article.

M. J. Platts.
Wavepower, Carlton House,
Ringwood Road, Woodlands,
Southampton.

Houses

From Mr. J. Akhurst

Sir,—Tim Dickson's report (May 9) on the "remarkably dull" *housing market* misses several vital points.

Moving house is absurdly expensive — at least £3,000 for a £50,000 house, of which £1,000 is Stamp Duty; tax relief on mortgage interest — as Mrs. Thatcher's one-time economic adviser Professor Douglas Hague predicted—is being effectively phased out; and direct and indirect tax has risen significantly since Mrs. Thatcher took office. People have less to spend on houses.

J. P. Akhurst.
7, Brentor Court,
Sandhurst Road,
Tunbridge Wells, Kent.

BL AND FORD

Cars: another week of problems

Ken Gooding says BL had to cut more jobs now

BL's losses are currently running at over £1,000 a minute or over £1.5m a day. It is losing the equivalent of £1,000 on every car it produces. Every man, woman and child in Britain will need to contribute £10 to cover the losses projected for 1981, a despairing shareholder pointed out at the annual meeting this week.

So it is easy to understand why Sir Michael Edwardes commented that saving the *group* "requires strong nerves on the part of the board, management, employees, unions and not least governments."

So far, there are no signs of any cracks appearing in Sir Michael's nerves. A new package of cutbacks—primarly involving the closure of BL's Rover car plant at Solihull and the ending of TR7 sports car production—was announced this week.

Sir Michael did not appear in any way overawed by the losses that BL is expected to make in 1981—equal to last year's record £535.5m deficit. His message was: BL's strategy remains unaltered. Only the tactics have had to be changed to suit the circumstances.

Outlining the strategy in very broad terms this week, Sir Michael said: "We must invest heavily but selectively in new models and effieient manufacture, to continue with the painful and expensive restructuring, involving significant redundancies and factory elosures, and to manage cash flow as tightly as possible."

When Sir Michael and the new management team took over in 1978 BL accepted that it needed to take a much more modest approach to its product range. It was patently unable to sustain in engineering or cash terms a range of 13 car models.

So the strategy involves BL producing perhaps three model "families"—based on Metro, the LC10 range of medium-sized cars due for introduction in the autumn of 1982, and a revamped Jaguar.

Thus, by the mid-1980s the Allegro, Princess, Rover, Ital and probably the Mini will have been eliminated from the BL car range, following the MG, Triumph Spitfire, TR7, Dolomite and the soon-to-go Maxi into oblivion.

The cars will incorporate as many components as possible which can be used not only across one "family" but two or even three, so that BL can the right economies of scale.

Even then it will have to rely heavily on collaboration with other groups because its car output will be too small for it to survive while remaining completely independent.

If BL is to compete effectively, its productivity must match the best in Europe. That means the most modern processes—like the well-known Longbridge robots—must be used to produce the new models.

BL's sales have slumped since 1978—car production dropped from 702,000 to 470,000 last year—and there was no point in retaining the old level of capacity.

The car business is particularly sensitive to volume—assembly plants have a high *break-even point—and BL had* to cut fixed expenses as output fell. This meant factories, or parts of factories, have had to go and jobs have been lost. Capacity was out by more than 300,000 cars a year and about 57,000 jobs were eliminated between 1978 and 1980. A further 8,000 went in the first quarter of 1981.

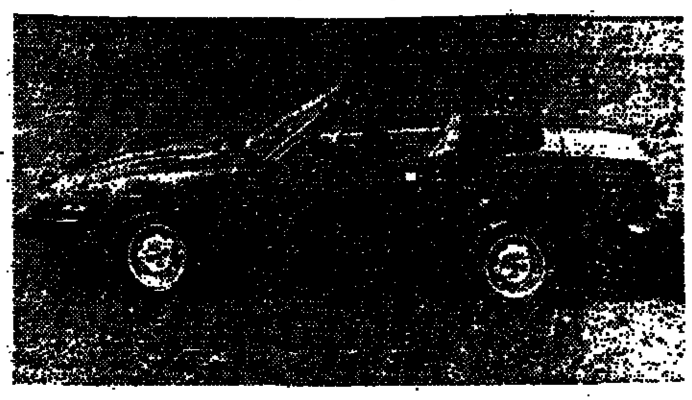
When will this attrition stop? The strategy involves BL reducing the workforce, 143,324 at the end of 1980, to about 100,000 by the latter part of 1982. Then it might begin hiring again.

So the closures and job losses announced this week were always on the cards. They simply had to be dragged forward because *BL is* suffering as badly as any other car group from the downturn in demand

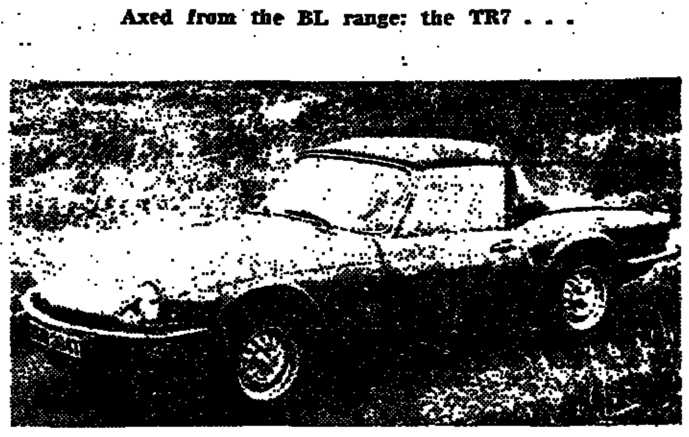
However, Sir Michael is determined not to go back to the Government for more money. Cash flow—the ready money BL needs to pay employees, suppliers, finance stocks and so on—is more important than profit, or in BL's case, reduced losses. For example, if car stocks are kept low because of the need to conserve cash, some sales will be bound to be lost as a result.

If Sir Michael has got the strategy right, by 1983-84 BL's fixed costs will have been reduced to a tolerable level. *The first of the LC10 family* will be available, with Metro, to lift car sales. tA that point revenue and costs should balance. BL should be pointing towards profitability again.

So it was not an ultimatum to the workforce when Sir Michael indicated at the annual meeting that if the car business did not break even by 1983-84, it would be closed down. He was simply pointing out that, if break-even was not achieved, the board's strategy would have failed. And it would be too late to make another attempt to save it.

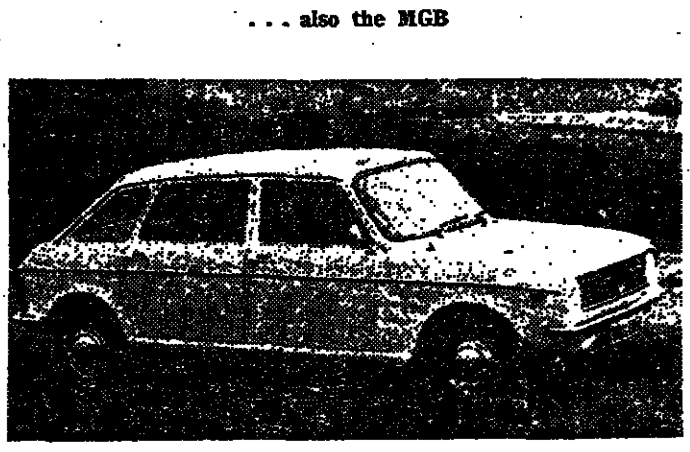


Axed from the BL range: the TR7 . . .



. . . and the Triumph Spitfire

. . . also the MGB



. . . while the Maxi is soon to go

Nick Garnett looks at the Ford code on stoppages

FORD UK is one of the few *profit centres* within the company's worldwide operations, which last year lost more than £700m. But the British operation, which made a £226m pre-tax profit last year, continues to suffer from greater problems of productivity and unofficial strikes than those in Ford's other European plants.

The UK management is this engaged in a major programme through its After Japan efficiency drive to introduce radical changes. But it is also trying to obtain a greater commitment from its unions to meeting the terms of already-existing agrements.

The common link is the mounting competitive pressures on the company, particularly from Japan. The After Japan programme followed a close analysis of Japanese manufacturers' performance by Ford.

When the company introduced its new disciplinary code against unofficial stoppages last November it knew there was a strong possibility that it would spark a major dispute against the whole principle of the code. That dispute now appears to have started.

The dispute at Halewood on Merseyside was triggered 10 days ago when four men complained that job speeds were too high. The men, working in the sub-assembly area of the body plant, had been handling 55 rear cross members an hour. As part of the production build-up at Halewood they were now required to handle 62. The day shift accepted this, but four men on the night shift said it was too much.

All output of finished cars and vans from Ford's UK plants has been halted because the strike has affected the supply of gearboxes from Halewood to plants at Dagenham (where Cortinas and Fiestas are built) and Southampton (Transit vans).

The company and the unions always suspected that, if there were a battle over the code, it would almost certainly occur on Merseyside because of the plant's difficult labour history and because it was expected that the code would be used far more there than elsewhere. And they have been proved right.

The code involves suspending unofficial strikers not only for the shift in which the dispute occurs but also for another full shift. As a result, there tend to be more lay-offs of workers not directly involved in the stoppages.

The company knew that it *would have* problems with the code in its 23 UK plants. It recognised that it is a rather crude measure and understood that it would have a cumulative effect in terms of lost output. And it was prepared for a shop-floor backlash.

Indeed, the company says that although unofficial stoppages have fallen in numbers, there has been no real improvement in lost output since the code was brought in because of the cumulative lay-offs.

But by the end of last year, Ford says, it had decided that there was no alternative to the code if it was ever to correct the long-term pattern of deteriorating labour relations.

The immediate spur was the accelerating number of unofficial stoppages at Halewood since the summer when the new Escort lines were introduced at a cost of £130m. Mr. Paul Roots, director of labour relations, said yesterday that the code was almost a measure of "desperation."

Also underlying the issue are two further themes. One, says the company, is the inability of the unions to offer anything concrete t oFord on unofficial stoppages other than promises of more talks and a willingness to set up joint committee.

The second is the company's long-term drive to improve competitive performance, encapsulated in its After Japan proposals which involve reducing the workforce by 40 per cent or 29,000 b y19

Mr. Steve Broadhead, the Halewood body convenor, said this week that the strikers wanted the withdrawal of the code.

Mr. Ron Todd, Transport and General Workers' Union national organiser and senior Ford union negotiator, said the unions understood the need for discipline but that the code was the wrong instrument.

The key isue, then, for the unions is the removal of the code. But for the company it is the problem of unofficial stoppages, and how they can be stemmed.

The Longbridge 'volcano will erupt again'

Arthur Smith, on why the Metro strike occurred

FOR NOW, the dispute on BL's Metro production line at Longbridge is over. But there is no doubt that the speed with which it took hold and brought output of the best-selling car to a halt took management by surprise.

"BL management is sitting on a volcano at *Longbridge*. Unless they change their attitude it will erupt again." That was the warning delivered yesterday by Mr. Johnny Barker, the Transport Union official who has negotiated for workers at the Birmingham factory for nearly 20 years.

An outspoken man with a passionate belief in the trade unions and the Labour Party, Mr. Barker played a leading role in persuading the 1,700 strikers who have halted production of the successful Metro and Mini models for more than a week to return to work next Monday. Reluctantly, the men decided that, for now, they had no alternative to going back, on the company's terms. But the resentment remains.

Productivity at Longbridge, a sprawling complex of buildings and BL's largest plant with more than 17,000 workers, has improved dramatically over the past 12 months. Management, faced with a shop steward *movement demoralised* and dispirited by a number of embarrassing reverses, has reasserted its authority.

The message from director level has been that nothing should halt assembly lines in the drive to raise output of the successful Metro model

But the euphoria engendered by present output performance and the model's enthusiastic reception in European markets received a serious jolt 10 days ago. At Longbridge, sections of workers, led by the 40 men who fit trim into the roof of the Metro, began to walk out in protest at new output targets.

Output of the Metro over previous months had been stepped up ahead of target and workers were enjoying bonus earnings of up to £14 a week under a productivity-related incentive scheme.

The next stage was to lift output of Metro from 4,000 to 4,500 cars a week. According to the unions, workers were not *told until the Friday before the* May Day Bank Holiday of their new responsibilities to increase output of the two Metro lines from 25 to 31.5 care an hour.

It was not in the new and much publicised Longbridge West' works where robots and expensive computer-controlled machinery assemble the body shell of the Metro that trouble flared. But in the final trim and assembly building—CAB 1—problems arose. There, money has been spent on extending the building and replacing the five assembly lines of the 1950s

Union officials maintain that workers occupying a particular station on the assembly line—fitting nuts to the wheels, for example—were unable to complete their operation in the allotted time.

Mr. Bernard Turner, divisional officer of the Amalgamated Union of Engineering Workers, maintains that workers who complained about their new tasks were not allowed to con*sult their shop stewards*.

Union officials believe that lower level management has been over-zealous in its interpretation of working practices. Mr. Turner says: "There is a reign of terror running through BL from the top management though to the shop floor.

Weekend Brief

Distress at L'Express

Sir James Goldsmith has finally achieved one of his greatest ambitions, that of becoming editor as well as the owner of a prestige publication. After his dismissal on Thursday of M. Olivier Todd, the editor and deputy director of L'Express, the French weekly news magazine, and the subsequent resignation in sympathy of its director, M. Jean-Francois Revel, Sir James has simply taken their place himself.

The trouble is that he is editing a magazine whose staff has been decimated. Certainly, of the big names which have made the magazine's reputation have left in the latest upheaval. Revel and Todd, both well-known writers and political commentators, with several *successful books* to their credit, were quickly joined by an equally famous writer on the staff Max Gallo, who resigned after a bitter clash with Sir James at an editorial meeting on the same day.

M. Revel said in a French newspaper interview that the reason given for M. Todd's dismissal—the publication of a cover during the presidential election campaign showing an ageing and wrinkled President Giscard d'Estaing sitting beside a TV set with a picture of a much more dynamic M. Mitterrand—was no more than a pretext.

That cover, Revel said, had undoubtedly upset Sir Jimmy deeply. Goldsmith, a committed supporter of President Giscard d'Estaing and his particular brand of liberal capitalism, felt dishonoured by it. "He told me that he no longer dared greet his friends or dine at his mother's house and that, on that day, we had left the sinking ship," the former director said.

The fundamental reason for the sacking of Todd, Cambridge-educated, with a British mother, who makes no secret of his Socialist sympathies, was there*fore political. As the influential* Paris evening paper Le Monde pointed out in its account of the affair, Sir James want to impose on L'Express a conservative political line like he did with his recently closed down British weekly Now! M. Giscard d'Estaing's defeat in the presidential election was clearly the straw which broke the camel's back. "Like many people in France, he was in a state of shock," Todd said afterwards.

The saddest thing about the whole affair is that both Revel and Todd admitted that they had never suffered any editorial interference from Sir Jimmy before and that their personal relations with him had been excellent. Revel said that, when he took over the magazine, Sir James had told him that he wanted it to express a whole range of political views, "from the non-extremist Right to the non-totalitarian Left."

That was exactly what had been done over the past 3 years, with different columnists expressing opposing opinions. "I don't know what made him change his mind suddenly, at the very moment when the credibility which we had acquired had become more useful than ever."

London goes to Manchester

London went to Manchester last week when the Royal Opera opened its first season in the regions for 17 years at the refurbished Palace Theatre. Manchester is repaying the compliment with the second annual visit of the Royal Exchange Company at the Round House. *The Duchess of Malfi* closed last Saturday after playing to 90 per cent capacity. The second production of the season, the French farce *Have you anything to declare?*, opened on Wednesday, to be followed by Max Wall in Beckett's *Waiting For Godot* (June 9) and Tom Courtenay in Moliere's *The Misanthrope* (July 1).

The Round House artistic director, Thelma Holt

Under its Artistic Director, Thelma Holt, the Round House is enjoying a well-deserved renaissance. This is due in major part to the link-up with Manchester. The Royal Exchange's designer, Richard Negri, supervised the £26,000 face-lift last year to bring the auditorium more closely into line with the demands of the in-the-round Manchester company.

Ever since the "rock *Othello*," *Catch My Soul*, in 1970, the theatre has housed festive extravaganzas like *Rabelais*, Arianne Mnouchkine's *1789* and the Grand Magic Circus. Last year's Manchester production of Ibsen's *The Lady From the Sea* starring Vanessa Redgrave won a major award for the actress, new prestige for the Round House, and satisfaction for the Greater Manchester Council who now match the Arts Council's grant to the Exchange of £300,000.

Thelma Holt is a dynamically attractive lady in the male-dominated jungle of theatre impresarios. For many years she forfeited an impressive acting career to run the Open Space fringe theatre alongside Charles Marowitz. Very few people can resist her. When the Rustaveli Theatre of Georgia came with their brilliant *Richard III*, a telephone call to Cyril Stein earned her £17,000 worth of free accommodation at the Westmoreland Hotel. Her board of property speculators and impresarios reach hynotically for their cheque books the minute she suggests the need for a new loo. Resisting sponsorship on the grounds that you have to pay somebody £12,000 to raise it, she relies on stage-struck philanthropists such as the friend who has bought 160 seats for each Monday night of *The Misanthrope's* run.

The Arts Council grant to the Round House is £90,000 which leaves minimal margin for error once the annual wage bill—£78,000 for a permanent staff of 17—has been paid. The price of classified advertising and the need to hit an overall 85 per cent capacity on the season are currently giving Miss Holt the horrors. But the season ticket scheme is going well (top price seat is £6.50 with a 15 per cent reduction if you buy for all three remaining shows) and Thelma Holt is already looking ahead to next year's Exchange visit.

In the meantime, she plans to accommodate the Oxford Playhouse's *Mephisto*, the Greek *Iphigenia* after its Edinburgh Festival date and a French show called *Le Bal*. Peter Brook told her the other day that *Le Bal* was the best thing in the French theatre for 20 years. She was on the next fli ght . . .

. stitch n . ime

"THERE was a time," said the man from Cartier whistfully, "when we did not have to go out and find *customers*; we just waited for them to come to us . . . Dukes, Princes, the very rich . . ." The Cartier slip into the harsh world of marketing has not, however, yet reduced that elegant company into such fripperies as trading stamps and sandwich boards. The latest Cartier sales circus to hit London, for example, has done it with champagne breakfasts and neatly dressed Parisien executives making their sales pitch in Maurice Chavalier accents. Cartier, as M. Arnaud Bamberger, pin-stripe-suited export director pointed out, retains its style.

The *Cartier* team arrived last week to promote the Vendome watch range. Students of the watch war will know that Cartier has set the pace in recent years first with its revival of the Tank design and then the Santos (that darling of Rieviera wrists for the past couple of summers). Early reports on Vendome sales suggest that the company is heading for a triple.

It is hardly a secret that behind every Cartier salesman their walks an army of lawyers, since other watch companies are eager to follow where the French designers have led. The most recent British coup was an injunction slapped on a colour *supplement for a special offer* of Santos-styled watches at considerably less than Santos prices. The Santos design (it is the one with all those tiny screws around the face) is relatively easy to protect, compared with the simplicity of the Tank. Cartier stopped the Sunday colour supplement offer within a week—"we have learned how to move quickly."

In some parts of the world speed does not help, however. Cartier has heaped legal actions on similarly named companies in Mexico selling similar products, all to no avail. "Now," says Bamberger, "we are trying something else." The something else is to set up a Cartier dealer network in Mexico and open a Cartier boutique within yards of the upstart rival.

With Cartier Vendome watches costing in Britain between £275 and £935, and each coming with a lifetime guarantee, the group has a great deal to protect. The Vendome hallmark is its unusual strap fixture, a design produced in the thirties with the help of Ernest Hemmingway.

Apart from copyists and counterfeiters, and there is a considerable difference in the Cartier book, the company faces the problem of continuing its growth while retaining the image of exclusivity. Although the Cartier people are too discreet to mention other names it is clear that the over-popularisation of brand names like Gucci and St. Laurent is not something that they would like *to see repeated. But since* the late Robert Hocq acquired Cartier Paris in 1972 (and then slowly bought out other Cartiers around the world—London in 1974 and New York in 1976) turnover has gone from $15m to $220m. There are now 88 boutiques and 15 fully fledged Cartier shops around the world, figures which make the business sound ominously like a chain.

But, says Cartier, even if it is bringing out a perfume in the autumn of this year, is considering going into the spectacle frame business and is looking at various other fashion products, it still intends to cling onto the exclusivity. "We are not going to get into the signature business, just giving our name to products that other people make" said Bamberger, fingering his elegant gold Cartier pen with its strange mechanical pocket clip and glancing briefly at his watch (the latest Vendome of course). I hid my wrist beneath table level stole a look at my own Japanese imitation Tank, and decided the best thing to do was withdraw.

Contributors

Robert Mauthner

Michael Coveney

Arthur Sandles

Grand Met expands by £7.6m after six months

INCLUDING results from Liggett, acquired in June 1980, pre-tax profits of Grand Metropolitan moved ahead by £7.6m to £68.8m for the half year ended March 31, 1981.

Profit contribution from Liggett was £33.1m but group interest charges were well up from £23.3m to £44.2m, reflecting the acquisition and the increase in the U.S. dollar interest rates.

External sales for the six months expanded from £1.15bn to £1.5bn and were boosted by Ligget with £240.3m.

Sir Maxwell Joseph, chairman, says the UK recession was particularly severe although the U.S. economy showed signs of recovery. The trading profits of hotels and catering, and wines and spirits were also adversely affected by strong sterling "with its inevitable impact on tourism and exports."

A divisional analysis of external sales and trading profits, £115.4m (£84.5m), shows: hotels and catering £178.8m (£164m) and £6.2m (£8.5m); milk and foods £274.1m (£243.6m) and £15.3m (£13.8m); brewing and retailing £336.1m (£310.5m) and £25.6m (£25.4m); wines and spirits £280.1m (£255.9m) and £21.6m (£22.9m); leisure £187.9m (£179.9m) and £13.6m (£13.9m); and Liggett £240.3m and £33.1m profit.

Sales and profits for last time have been adjusted to reflect the divisional reorganisation in June 1980, and Liggett's results include U.S. milk and foods, and wines and spirits activities.

"I am optimistic that conditions in the UK will begin to improve later this year and that the hard work and improved efficiency demonstrated by our results to date will enable us to continue our progress," Sir Maxwell states.

The interim dividend is increased from 2.875p to 3.175p net per 50p share — last year's final was 3.75p paid from a taxable surplus up from £136m to £152.1m.

Additional depreciation arising from a property revaluation was £2.4m (nil), and profits were subject to tax of £17.2m (£18.4m).

After minorities, £1.3m (£1.4m) and preference dividends of £0.2m (same), the attributable balance came through at £50.1m against £41.2m, or 9.7p (8p) per share—it is estimated that extraordinary items for the half year will give rise to a net charge of some £0.7m.

See Lex, Back Page

DIVIDENDS ANNOUNCED

	Current payment	Date at payment	Corresponding div.	Total for year	Total last year
Berec	2.1	July 9	4.2	3.4	5.5
John Crowther	Nil	—	0.76	Nil	0.76
Garnar Booth	3.85	July 6	3.85	6.25	6.25
Gaskell Broadloom	2.5	July 1	1.8	3.5	2.8
M. J. Gleeson ......int.	1	July 3	0.9	—	2.56
Grand Met. ......int.	3.18	Oct. 5	2.88	—	6.63
Hoveringham	2.21	July 3	2.1	2.9	2.79
Macdonald Martin A	8.5	—	8.5	11.5	11.5
Macdonald Martin B	4.25	—	4.25	5.75	5.75
Newman Inds.	Nil	—	Nil	Nil	1.5
1928 Inv.	2.4	July 2	2.35	4.4	4.45‡
Tharsis	2§	—	—	2	—
Warner Estate ......int.	3	July 2	3	—	6.5

Dividends shown pence per share net except where otherwise stated.
*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Includes 0.6p special non-recurring. §Gross.

£6.6m slide in Berec profit

PRE-TAX profits of the Berec Group dropped from £17.19m to £10.54m in the 52 weeks to February 28, 1981, on turnover up from £229.71m to £241.29m.

At the half-year stage this battery manufacturer made a profit before tax of £3.15m (£11.14m) and turnover stood at £98.51m (£97.33m).

The directors have recommended a final dividend of 2.1p (4.195p) per 25p share making a total of 3.4p (5.495p) for the year. This level of dividends absorbs £2.25m (£3.73m).

Profit before tax was struck after higher interest charges of £6.53m (£2.29m). In the UK there was a tax credit of £1.32m (£1.34m charge) and overseas tax took £4.32m (£4.84m).

The amount attributable emerged at £5.89m (£10.17m) after minority interests of £200,000 (£1.02m) and extraordinary items of £1.45m (£180,000) comprising the costs of factory closures and restructuring offset by other net credits of £200,000.

The earnings per share are stated at 11.1p (15.12p). On a current cost basis the pre-tax profit is reduced to £1m (£2.8m).

See Lex, Back Page

Hoveringham falls £0.9m to £2m

A SHARP second-half decline from £2.01m to £0.79m has left Hoveringham Group with 1980 pre-tax profits of £2.19m, compared with £3.1m a year earlier. At midway the surplus was up from £1.09m to £1.39m but the directors warned then that signs of deepening recession were becoming apparent in early June and the remainder of the year would not be any easier.

They forecast a maintained dividend, but now propose to increase the payout marginally from 2.7875p to 2.9p net with a final of 2.2125p.

At the trading level, 1980 profits went ahead from £9.56m to £10.99m, but net interest charges rose to £2.66m (£1.72m) and depreciation and land depletion was also higher at £6.27m (£4.89m).

Figures for 1979 have been restated to take account of a full year's depreciation and depletion, amounting to £711,000, on a UK property revaluation at the end of that year. The corresponding figure for 1980 was £869,000.

Turnover of the group, whose activities include quarrying, waste disposal, transport, insurance and leisure, increased from £61.67m to £77.17m.

Earnings per 25p share are shown as 9.12p (8.04p) after a lower tax charge of £371,000 against £1.53m, minority profit of £14,000 (£1,000 loss) and preference dividend of £86,000 (same).

There were extraordinary credits of £65,000 (£96,000), including surplus on the realisation of fixed assets, redemption of debentures, exchange adjustments, rationalisation costs and a provision for environmental improvements. After these and the £545,000 (£524,000) absorbed by ordinary dividends, the retained surplus emerged up from £1.06m to £1.24m.

The directors say the programme of diversification in the UK made continued progress in 1980. Long-term quarry investment was maintained and there was a strong cash flow with significant debt reduction.

On a CCA basis, the pre-tax profit is reduced to £1.88m.

● comment

The ordinary Hoveringham shares rose 4p to close at 86p near the year's high after an unexpected rise in the final dividend and bullish statement despite results every bit as lacklustre as hinted at when the interim figures were unveiled. Despite the 30 per cent fall in pre-tax profits, the generosity appears well-founded with the dividend yielding 5 per cent more than twice covered by CCA profits and attributable earnings 12 per cent higher largely thanks to a much reduced tax bill after recent heavy capital expenditure. At the trading level margins deteriorated in the second half but the real damage was inflicted by the 55 per cent rise in interest bill and nearly 30 per cent higher depreciation. Hoveringham claims to have maintained quarry investment while reducing its debt burden but says nothing about its U.S. acquisition, Superior Sand, which was in loss at the interim. Staff cutbacks and the concentration of trading in fewer divisions should be reflected in higher margins once the construction industry revives. The shares gain some support from net assets of around 151p per share but bid hopes receded when George Wimpey sold its 20 per cent stake in the voting shares last year.

Quest to seek full listing

Quest Automation, the Dorset-based manufacturer of computer-aided draughting equipment and other electronic devices, is seeking a full quotation on the Stock Exchange.

The company, which came to the Rule 163 (2) market in October, 1979 by way of a placing, has also reported its preliminary figures for the year to February 28, 1981, showing pre-tax profits of £813,000 compared with £649,000 in 1979-80.

The shares rose 8p yesterday to 190p cum 1p dividend and 1 for 10 scrip. The market capitalisation is £21.3m.

Turnover was £10.5m (£7.5m) and the pre-tax profit was after sharply increased research and technical expenditures of £1.1m (£0.6m). After taxation of £49,000 (£36,000) and goodwill written off of £10,000 (nil), attributable profit was £754,000 (£613,000). Dividends of 1p a share (0.8p equivalent) are being paid on the 11.3m 10p shares in issue.

Gresham House Estate holds 27.6 per cent of the issued shares of Quest.

Newman dives to £3.5m loss

AFTER predictions by Newman Industries at the half-year stage of poor results for 1980, the company has dived from a pre-tax profit of £378,000 to a loss of £3.49m on turnover of £73.69m compared with £70.23m.

At the interim this group—engaged in engineering, marketing and manufacturing electric motors, industrial fastenings, ceramics, castings and construction equipment—made a profit before tax of £293,000 (£2.3m) on turnover of £40.4m (£34.82m).

The directors have declared no dividend for the year. Last year an interim payment of 1.5p per 25p share was made, but the final was missed.

Commenting on the results they say it was a most difficult year, with the fourth quarter being particularly bad.

Pre-tax profit was struck after an exceptional item of £590,000 (nil)—the provision for discounts on the sale of excessive stocks—and interest charges of £5.23m (£3.59m). Tax, relating mainly to overseas companies, took £896,000 (£1.7m).

After extraordinary items of £2.29m (£2.16m) — largely reorganisation and closure costs—and minority interests of £7,000 (£33,000), the attributable loss emerged at £6.69m (£3.52m). Preference dividends absorbed £399,000 (£763,000 including £364,000 ordinary payout).

The retained deficit carried forward came out at £7.08m (£4.29m) and the loss per share is stated at 18.5p (7.2p loss).

A breakdown of turnover and trading profit by division shows: Avdel £32.08m (£31.44m), £2.91m (£3.87m); ceramics £12.53m (£8.16m), £1.31m loss (£1.21m loss); electric motors £13.83m (£15.48m), £199,000 loss (£86,000 profit); engineering products £15.25m (£15.48m), £322,000 (£1.22m).

The trading loss for the ceramics and electric motor divisions are shown after deducting £350,000 and £240,000 respectively, being the stock provisions shown as the exceptional item.

As pointed out by the directors the strongest trading performance comes from Avdel, and the worst problems in the group are being faced by the ceramics and electric motor divisions.

A geographical analysis of turnover and trading profit shows: UK £46.83m (£45.59m), £264,000 (£1.49m); other European countries £9.13m (£9.21m), £965,000 (£1.15m); north America £13.76m (£11.04m), £306,000 (£947,000); Asia and Australia £3.97m (£4.39m), £198,000 (£383,000).

● comment

The tangible gains made by new management at Newman so far can only be counted as small. Payment from the auditors of £445,000 has been received, the passed preference dividend this month will save £285,000, Avdel is still making a vital contribution (although not as much as hoped) and the ceramics division has won a substantial level of new orders from Germany. Although Newman barely had time to start putting its affair in order before the accounts were drawn up, the balance sheet will demonstrate the degree of patience still required from shareholders. Net worth of £15.9m at the end of the year is still dwarfed by loan capital of £10.9m and overdrafts of about £14m. *The shares at 19½p, up 1½p yesterday, do not quite come into the penny stock category but they* will remain entirely volatile until, in the first instance, the stake held by London European Group, is permanently settled and the group's structure and finances have been hauled onto an acceptable basis.

Warner Estate profits ahead at halfway

On turnover ahead slightly from £3.38m to £3.45m, pre-tax profits of Warner Estate Holdings, property investment and building concern, rose to £835,194 for the half year ended March 31, 1981, against £759,631.

Earnings per 25p share are shown as 3.41p (3.16p) and the interim dividend is unchanged at 3p net—last year's final payment was 3.5p paid from profits of £1.69m.

Attributable balance came through at £342,578 (£317,571) after tax £437,763 (£388,000), minorities £873 (£80) and preference dividends of £53,980 (same).

The interim dividend will again absorb £301,284.

Net proceeds of sales of houses and flats totalled some £695,000 for the six months to March 31, after deducting estimated tax of £114,000.

Crowther slips deeper into red

PRE-TAX losses of John Crowther Group, woollen textile manufacturer, increased from £286,851 to £911,377 for 1980 on turnover down from £7.05m to £3.8m and the directors recommend no final dividend. Last year a net total of 0.76p was paid.

Mr. Trevor Barker, chairman, says the group should return to profitable trading in the second half of this year. High losses continued in the first two months of this year but they were substantially reduced in March.

Mr. Barker attributes the group's trading losses of £542,397, against profits last time of £152,199 to the costs of contracting manufacturing operations. Over the year, the workforce has been cut from 700 to less than 200.

In addition, part of the losses arose from the management's review of the value of stock in trade in the light of current market conditions and price levels. This resulted in an exceptional stock write down of £285,921.

The pre-tax loss was struck after the stock write down, a profit on disposal of surplus plant of £390,280, redundancy payments of £88,087, depreciation of £110,451 (£141,602) and interest charges of £274,801 (£297,448).

Losses per 25p share increased from 8.61p to 25.74p after tax of £4,840 (£12,445). The group losses were met by a transfer from reserves of £926,717 (£327,366).

After current cost adjustments, the pre-tax loss was increased to £1.13m.

Marginal rise at Crystalate but no payout

Taxable profits of Crystalate (Holdings), manufacturer of plastic mouldings and manufacturer and distributor of electric products, rose marginally from £245,000 to £276,000 for the half year to March 31, 1981, on turnover down from £7.54m to £6.51m.

The directors have again declared no interim dividend but in the previous full year the group made a final payment of 1.54p.

Earnings per 5p share increased from 1.67p to 1.87p after tax of £230,000 (£309,000).

SHARE STAKES

Jenks and Catell — Mrs. R. E. Jenks, wife of chairman, has disposed of her entire holding of 52,500 shares. Mr. R. E. Jenks now holds 81,036 shares (3.3 per cent). Mrs. V. A. Gibbons has disposed of 60,000 shares reducing holding to 114,462 shares (4.7 per cent).

Brent Chemicals International — London Trust Company has disposed of 200,000 shares reducing its holding to below 5 per cent.

Gestetner Holdings — Junction Nominees has acquired 44,868 shares (6.43 per cent). This is total holding.

Sterling Credit Group—Mr. J. Rooke, director, has disposed of 300,000 "A" ordinary shares at 9½p.

Bertam Consolidated Rubber—The Johore State Economic Development Corporation now holds 2.4m shares (12 per cent).

External Investment Trust—Standard Life Assurance has disposed of its holding of 375,000 shares.

Stewart Nairn Group—Bargold Investments has dispensed with its holding of 1.2m shares (12.98 per cent).

Burma Mines — Yelverton Investments agreed to acquire from Establishment Plambuit 1m ordinary shares in Burma for a consideration to be satisfied by the issue of 466,666 new ordinary shares. Yelverton now holds 14.9 per cent of Burma and intends to retain its holding as a long term investment.

John Mowlem and Co.—J. McBurney, director, has disposed of 200,000 shares at 167p leaving holding 300,000 shares (1.896 per cent).

Anglo-Argentine Tramways—The Establishment Plambuit has sold 45,000 ordinary shares and as a result its holding now stands at 540,000 shares (13.5 per cent).

Drake and Scull Holdings—Mr. Chevalier A. A. A. Malevez, director, sold 50,000 ordinary shares.

A. G. Stanley Holdings—Mr. Malcolm John Stanley, chairman, has sold 84,779 shares at 78p and his total holding is now 2m shares (7.89 per cent). Berger Jenson and Nicholson have purchased a further 150,000 shares bringing their total holding to 3,431,287 (13.53 per cent).

Change Wares—Scottish Northern Investment Trust has sold 75,000 12 per cent convertible cumulative participating preferred redeemable shares reducing holding to 725,000 shares.

Dualvest — The Merchant Navy Officers Pension Fund is the beneficial owner of 290,500 £1 capital shares (14.5 per cent).

Metal Closures

At the annual meeting of Metal Closures Group Mr. J. H. Boden, chairman, said the present level of activity had changed to a fairly constant but low volume requirement throughout most of the group. It would appear that the recession had bottomed out but forward orders were not sufficiently consistent to indicate a sustained upturn.

Most plants were still working under capacity, he said. However economies were resulting in profitable busines which augured well for the future when realistic volume is available.

LF/OPTI GROUP REORGANISATION

As a consequence of a reorganisation of the LF/Opti Group of companies and its management, IMI's zip fastener subsidiaries have now become associates. In future, this group, in which IMI has a 50 per cent interest will be known as the Opti Group.

BIDS AND DEALS

Independent directors of Saint Piran back offer

BY JOHN MOORE

INDEPENDENT directors of Saint Piran, the controversial tin mining and housebuilding group, have uged shareholders to accept a 60p per share cash offer from Gasco Investments, the master company of Mr. Jim Raper, a former chairman of Saint Piran.

The independent directors of the board who sought advice were Mr. W. D. Allen, Mr. V. J. Gersten and Mr. W. J. R. Shaw. Mr. Malcolm Stone, chairman of Saint Piran, and Mr. B. Green, another director, did not form part of the group because they are both directors of Gasco.

Advisers to the independent directors Charterhouse Japhet have said that the offer "is too low."

Gencor Group, the large South African mining company, which, as a small Saint Piran shareholder is seeking to wind up Saint Piran, said yesterday that shareholders who wish to hold on and not sell out should "get in touch with us" at its London-based office.

In a letter to the independent directors and published in a circular sent to shareholders yesterday, Charterhouse said:

● The offer from Gasco does not adequately reflect the value of the shares in Saint Piran.

● None the less, we do not believe that in all the circumstances it would be in the interests of shareholders to remain as minority shareholders in a company controlled by Gasco.

● In the event of a liquidaton, shareholders could expect to receive more than 60p per Saint Piran share, but no guarantee can be given of the outcome of any litigation nor of the length of time it might take for the shareholders to receive the proceeds, during which the financial and trading position of Saint Piran might change.

The independent directors tell shareholders in the circular that Gasco has offered 60p per share. "This is 3p below the price of the shares when they were suspended in 1980."

They say Saint Piran is not a large company "and the Gasco merger proposals do not have large economic implications.

"Unfortunately, the debate to which they have given rise has moved from commerce to morals. The moral issues are complex for the commercial decision is simple."

The group's shares, they say, have been suspended since May 20, 1980, "and the Stock Exchange recently indicated that it will not restore the listing in the present circumstances. Your money has been locked into your shares in the company since the suspension."

A petition has been presented by Gencor for the winding up of the company. It is due to come before the courts on June 22.

The independent directors say the winding-up petition will be "vigorously opposed and has no certain outcome. In any event, the action will not be heard for many months and, even if it were successful it would be a considerable time before you received any money.

"Moreover, the costs of legal action must inevitably be high and, if the action is successful, they will have to be met, with the costs of the liquidation, out of the assets of the company."

The independent directors tell shareholders that they were attempting to get the Gasco offer increased, "and until Friday of last week were hopeful of success.

"On that day the Stock Exchange listings of our two UK subsidiaries, Milbury and South Crofty were suspended. Gasco then withdrew from the negotiations, its major reason being that the suspensions had weakened the asset base of your company. Gasco has informed us that it will not now increase its offer.

"Accordingly, the question is whether you should take 60p per share now or retain your shares perhaps in the hope that a winding-up or other relief will ensue."

In its detailed analysis of the assets of Saint Piran, Charterhouse has said that the net assets of the group, as at March 31, 1980, stood at £10.18m or 87.2p per share. Gasco's offer values the group at £7m or 60p per share.

"The Gasco offer therefore represents a discount of 31.2 per cent to the value of the net assets of the group as shown in its published accounts."

Polymark up 19p on bid talks

SHARES in Polymark International, the laundry equipment and textile labelling machinery supplier, closed 19p higher on the London Stock Exchange yesterday on news that the group was engaged in bid talks.

The company said that a "conditional approach has been received which may or may not lead to an offer being made." It said the discussions were at an early stage and a further announcement was not expected for some time. No directors were available for comment yesterday.

The share price had risen by 19p to 133p earlier in the day on bid rumours. When news of the talks was announced shares raced ahead a further 27p to 160p before falling back to 133p at the close of the day's trading. At this level the company is valued at £7.2m. Earlier this year the shares were at a low of 70p.

The board of Polymark, headed by Mr. Peter Meyer the chairman, controls almost 20 per cent of the shares, with the institutions holding a further 22.1 per cent. The institutions comprise Industrial Commercial Finance Corporation with 9.73 per cent, Prudential Group with 6.28 per cent and ITC Pension Trust with 6.09 per cent.

Group profits, before tax, have climbed steadily over the last eight years. In 1979 they rose from £1.12m to £1.58m on a turnover up from £15.43m to £19.27m.

For the first six months of 1980 profits showed an increase from £489,000 to £627,000. In their interim statement last November the directors said it was difficult to forecast second half profits, but overseas trading had been very brisk and continued to show satisfactory growth. The full results for 1981 are due out soon.

A geographical analysis of the group's 1979 figures shows that the UK contributed 37.6 per cent of turnover and 28.4 per cent of profits while the rest of the EEC contributed 59.7 per cent and 71 per cent respectively. The balance came from the U.S.

Ward extends offer for Tunnel

Thos. W. Ward has extended its unsuccessful offer for Tunnel Holdings, valuing the group at some £100m, for another two weeks while it decides whether or not to raise the terms.

Through its merchant bank advisers, S. G. Warburg, Ward said yesterday that its cash and shares bid had been accepted by holders of only 2.48 per cent of the "B" shares, barely more than the first time round. No "A" shareholders accepted.

Ward, like Tunnel predominantly a cement company, already owned 25.8 per cent of the share capital, giving it just under 30 per cent of the votes. With the few acceptances, this rises to 27.7 per cent of the shares and 31.75 per cent of the votes.

Mr. Basil Mawdsley, finance director of Tunnel, which has vigorously opposed the bid, said the low number of acceptances showed "for the second time, a resounding level of disinterest."

While Ward has charged Tunnel with having "a defeatist attitude" on cement, the latter recently countered by arguing that "there is no synergy between the two companies."

ASSOCIATES DEAL

S. G. Warburg and Company as an associate of Trusthouse Forte, sold on behalf of a discretionary investment client 200,000 Trusthouse Forte at 14p.

SHARE STAKE

Pentland Investment Trust — Pearl Assurance Company holds 947,000 shares (5.4 per cent).

NCC in new talks with Simplicity

NCC Energy's shares were suspended in the stock market yesterday at 135p while Mr Graham Ferguson Lacey, the chairman, flew out yet again to New York for more discussions with Simplicity Pattern Co.

The two companies have been talking about some form of combination since NCC acquired a 15.4 per cent stake in Simplicity at the beginning of April.

Mr. Harold Cooper, Simplicity's chairman, said yesterday that the talks had now reached the point of negotiating about terms for a possible merger.

Mr. Cooper was in London for the board meeting of NCC to which he had just been elected.

Simplicity's next board meeting is on May 22 though Mr. Cooper said he could not be certain whether the merger talks would be advanced enough by then for a statement to be published.

Today NCC's shareholders receive a circular outlining the reasons for the purchase of the stake of Simplicity and calling a special meeting for June 2 to approve it retrospectively.

FT buying out Fintel

The Financial Times is to buy out the 45 per cent of Fintel, the lossmaking business information system, which it does not already own.

Fintel was established in 1978 as a partnership between the FT and Exchange Telegraph to provide business information on Prestel, the Post Office's viewdata service. An initial £500,000 was invested in the service, which was described in the last Pearson Longman report and accounts as suffering from "a slow build up but" costing "no more than anticipated."

The Financial Times said yesterday that the two partners (Extel has 45 per cent) have decided that they should each separately develop their own range of electronic publishing services, an area in which Extel is already established through its Stock Exchange information service, sports operations and data-based financial services.

The Financial Times sees Fintel as an extension of its other information services, business newsletters and management reports conducted through Financial Times Business Information.

Warning over Fulcrum bid

Construction Holdings, the former engineering consultancy company restructured in 1979 as an investment trust, is warning shareholders to take no action on the bid from Fulcrum Investment Trust, announced on Thursday.

Construction's Board has not agreed to the bid and is consulting Barclays Merchant Bank over it.

Fulcrum's offer values Construction at 203p a share. It is offering 2¼ units in Fulcrum per Construction share, each unit containing five capital shares plus one income share.

Results due next week

Thursday's first-quarter figures from Royal Dutch/Shell are not expected to be very different from those for the final quarter of 1980, when net income was £486m, with an underlying profit of about £280m. Since then there has probably been little increase in crude oil production, while European refining and marketing operations will almost certainly have deteriorated, and *any improvement in the loss-making chemicals side is expected* to have been slight. Shell Oil has had mediocre results in the U.S. Analysts are looking for underlying profits of around £300m and net income — including stock-profits—between £450m and £500m. Forecasts for the full-year decline in net income average a little more than 8 per cent, suggesting a total of £2bn against £2.225bn for 1980.

Unilever is expected to report first quarter profits on Monday of about £135m compared with a restated £125m in the same period last year. The conditions affecting the second half of 1980 are continuing—weak industrial activity but satisfactory consumer demand in Europe and strong growth in the third world countries, particularly Nigeria, which are important to the company. Overall, volume should show little change and operating margins have probably been slightly eroded.

Marks and Spencer's nimble reaction to the recession in the autumn of 1979 should have stood it in good stead during the past twelve months. Most analysts expect the second half of 1980 to have shown an improvement on previous earnings over the same period but whether this will be sufficient *to make up for the midway weakness is difficult to tell.* It depends on just how much in terms of gross margins M & S has given away to achieve its admittedly admirable sales growth in the face of dull consumer demand. Most analysts expect a small rise on last year's pre-tax profits of £173.7m for the twelve months to March 31, 1980, but some, heartened by recent retail results which showed late but heavy Christmas sales, have upped their forecasts even as far as £180m. On the dividend front those analysts at the top end of profits range are going for a small increase while the rest expect a repeat of last year's payout.

Market opinion on Boots' results, due next Thursday, remains divided with analysts' estimates ranging from £116m, to £125m for the year ended March 31, 1981 as against last year's £121.3m. The key question will be whether a strong second half retail performance will be sufficient to make up for the ground Boots is certain to have lost on the manufacturing side where earnings have been dragged down by lacklustre results from its agrochemical business. At the interim profits had slipped by £3m despite a healthy increase in UK retail sales so Boots retailing operations would need to have experienced an exceptionally strong Christmas spending spree to reach the higher end of analysts range. The joker in the pack that makes forecasting Boots' profits a rather inexact science is the traditionally hefty level of exceptional items with property transactions especially difficult to assess. Longer term the recent weakening in sterling should go some way to restore margins on exports although domestic sales may be adversely affected by Woolworth's current campaign to boost its market share.

Last year was a difficult one for brewers, but analysts reckon that Whitbread's pre-tax decline will be limited to around £3m, putting the 1980 figure at around £58m to £59m. This is partly because of the inherent strength of the South-east and also as a result of price rises. Volume was probably down 3 or 4 per cent and the North-west was unlikely to have done terribly well. The gross dividend should be up around 10 per cent to a little above 9p.

Ranks Hovis McDougall, which reports interim results on Thursday, is expected to show a slight improvement on the pre-tax profit of £20.2m made in the six months to March last year. Financing charges will have declined as a result of the Wessex and old head office disposals while on the trading fronts, improved margins on milling and the end of destocking in groceries are positive factors. The chairman said at the annual meeting in January that trading levels were similar to last year. The group should make £22m at the interim stage but may again fall short of £40m in the full year. The interim dividend is likely to be held at 1.5p.

Other results due next week include preliminary figures from Land Securities on Monday, Readicut and C. E. Heath on Tuesday and Fine Art Developments on Wednesday. Interim figures are expected from Pleasurama on Tuesday, Ransome Hoffmann Pollard on Wednesday and Associated Engineering and Stenhouse Holdings on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Advance Services	Wednesday	0.3	2.3	0.7
Alpine Holdings	Wednesday	2.275	2.975	2.275
Assam Dooars Holdings	Tuesday	—	6.0	—
Boots Company (The)	Thursday	2.875	4.125	2.875
Bremar Trust	Wednesday	1.0	0.95	1.0
Chamberlin and Hill	Thursday	1.1	1.5	1.1
Dom Holdings	Friday	1.972	3.732	1.479
Ellerman Lines	Thursday	—	—	—
Fine Art Developments	Wednesday	1.0	1.5	1.1
Foster Brothers Clothing	Thursday	1.0	2.1875	1.1
Francis Parker	Tuesday	—	—	—
Geers Gross	Wednesday	1.5	1.6	1.5
Hambros Investment Trust	Tuesday	1.8	†3.71	2.0
Hartwells Group	Wednesday	1.789	3.578	1.789
Heath (C. E.)	Tuesday	‡5.99997	6.6305	3.1
Hinton (Amos)	Tuesday	1.8	2.2	1.8
Hunting Associated Industries	Tuesday	2.5a	2.5	2.5
Industrial and General Trust	Thursday	0.9	1.85	1.1
Land Securities Investment Trust	Monday	2.5	5.3	2.5
London and Northern Group	Wednesday	1.4	2.35	1.4
London Trust	Wednesday	1.125	1.875	1.25
Marks and Spencer	Wednesday	1.5	1.9	1.6
Nathan (B. and I.)	Wednesday	1.4	2.6	—
Outwich Investment Trust	Monday	0.72	1.94	0.72
Portsmouth & Sunderland Newspapers	Thursday	1.0	2.25	1.0
Readicut International	Tuesday	0.5503	0.7	—
Runciman (Walter)	Tuesday	1.25	2.5	2.5
Scott and Robertson	Thursday	1.532	1.532	0.766
Selincourt	Wednesday	0.7	1.12	0.441
Sphere Investment Trust	Wednesday	2.3	3.4	2.85
Toye and Co.	Tuesday	—	1.625	—
Walker (C. and W.)	Friday	1.35	2.0	—
Weeks Associates	Thursday	0.7	0.908	—
Western Dooars Holdings	Tuesday	—	4.0	—
Whitbread	Tuesday	¶1.65	4.35	2.1

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
INTERIM DIVIDENDS				
Associated Engineering	Thursday	1.63	1.37	
Bluemel Bros.	Tuesday	1.65	1.65	
Brockhouse	Friday	2.0	1.0	
Cambrian and General Securities	Thursday	1.8	3.7	
Concentric	Thursday	1.21	2.1	
Construction Holdings	Thursday	5.6	7.0	
Dubilier	Friday	0.6508	0.7462	
Gomme Holdings	Friday	0.887	—	
Lloyds and Scottish	Thursday	1.87	3.7	
Management Agency and Music	Tuesday	2.8	5.96	
Morland	Thursday	1.0	2.75	
Northern American Trust	Tuesday	1.2	3.4	
Pentland Investment Trust	Thursday	1.5	4.5	
Plaxtons (G. B.)	Tuesday	3.0	5.5	
Pleasurama	Tuesday	2.0	4.5	
Ranks Hovis McDougall	Thursday	1.524	2.121	
Ransome Hoffmann Pollard	Wednesday	2.0	3.46	
Redfearn National Glass	Wednesday	5.28	5.28	
Redman Heenan International	Wednesday	2.2	2.0	
Riley (E. J.)	Monday	1.25	2.25	
Spencer Clark Metal Industries	Thursday	1.1	1.6	
Stenhouse Holdings	Thursday	1.82	2.83	
Yorkshire and Lancashire Invest. Trust	Tuesday	0.85	1.35	
INTERIM FIGURES				
Barton Transport	Thursday			
Harrisons Malaysian Estates	Wednesday‖			
Reliant Motor Group	Friday			
Royal Dutch Petroleum Company	Thursday§			
Shell Transport and Trading	Thursday§			
Unilever	Monday§			
Walker (Alfred) and Son	Tuesday			
"W" Ribbons Holdings	Wednesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes non-recurring dividend of 0.81p. ‡ Includes a special dividend of 3.97047p. ¶ Includes a special dividend of 0.16567p. § First-quarter figures. ‖ Third-quarter figures. a Total of first and second interim dividends.

Gleeson maintains profit

IN THE half year to the end of 1980, M. J. Gleeson (Contractors) increased slightly its pre-tax profit from £450,000 to £465,000 on lower turnover of £29m compared with £34m.

The directors of this civil engineer, building contractor and property developer, say the lower turnover is due to the expected reduced levels of output caused by work shortages in the public sector—particularly civil engineering.

They also say that in view of the improving quality of the group's distributable profits—50 per cent of which comprised property investment income—and the higher pre-tax profits they are declaring a higher interim dividend of 1p per 10p share (0.9p).

Looking to the rest of the year they say the expected decline in turnover is likely to continue. Though this will lead to lower plant utilisation and reduced coverage of overheads they are confident that trading *profits will* be maintained by good results from the residential estate developments and by amounts receivable from the continuing process of settling final accounts from past contracts.

The pre-tax profit includes rents receivable of £234,000 (£104,000), and tax took £122,000 (£250,000) reflecting the new code for stock relief.

The directors have decided to propose a change in the company's name at the shareholders' meeting in January 1982 to M. J. Gleeson Group. This is to reflect the group's growing property portfolio by countering the inference in the current name that the group is a contractor only.

Garnar Booth cuts loss

DESPITE a return to profitability in the second half, Garnar Booth, tanner and leather manufacturer which was formerly Garnar Scotblair, stayed in the red overall and for the year ended January 31, 1981 incurred a taxable loss of £187,000, against £1.37m profit—a loss of some £195,000 was forecast last February.

The dividend has been maintained, however, at 6.25p as forecast, with an unchanged final of 3.85p net per 25p share.

Turnover for the year dropped from £39.88m to £25.4m.

At halfway the pre-tax loss was £348,000 (£703,000 profit).

Because of the acquisition of Booth (International Holdings) last March, and the process of rationalisation which has already been put into effect, a substantial reorganisation of the group's structure has been necessary, the directors state.

Accounts for the year do not reflect these changes nor provide an adequate guide to the group's future development. As a result directors will not be publishing current cost accounts for the period, but they intend to do so for the current year.

Loss was after crediting a £44,000 (£113,000) surplus on property sales, and was subject to a tax charge of £97,000 (£82,000). There was an extraordinary credit of £120,000 (£85,000 debit) and loss per share is given as 5.49p compared with 25.14p earnings.

THE WEEK'S COMPANY NEWS

Take-over bids and deals

News International launched a *surprise £22.75m bid for* **William Collins**, the publishing company. News International, which recently acquired Times Newspapers, has already bought just over 30 per cent of the voting shares in Collins from family trusts. It is extending cash offers of 200p per share for the Ordinary and 150p for the "A"; both moved well above the respective bid values.

Hanson Trust made a 200p per share cash offer for **G. H. Downing**, the bricks and building materials manufacturer, valuing the latter at £12m. The Downing board rejected the bid as wholly inadequate, but Hanson stated that members of the Downing family, including an executive director, had irrevocably agreed to accept the offer in respect of 24.07 per cent of the capital.

First Pennsylvania Mortgage Trust, a U.S.-based real estate investment trust, made a share-exchange offer for **Anglo Metropolitan**, the British property company, on the basis of 123 First Pennsylvania *shares for 100 Anglia, valuing the latter at approximately* 102p per share. The bid follows last month's approach to Anglo by First Pennsylvania, and the offer is seen as a tidying-up operation. Both companies are approximately half-owned by British institutions and individuals.

Fulcrum Investment Trust made a bid for **Construction Holdings**, the *former* consulting engineer which was restructured as an investment trust in 1979. The terms are five new Fulcrum capital shares and one new income share for each Construction share, valuing the latter at £1.9m. If Construction's net assets prove to be higher than the market value of the offer, Fulcrum, which already owns 5.16 per cent of Construction, will consider increasing the terms.

In Australia, the bid battle surrounding **Commercial Bank of Australia** intensified with **The Bank of New South Wales** launching the largest takeover in the country's history when it announced a A$695.5m (£375m) counter-bid for the company. The bid topped **Australia and New Zealand Bank's** offer of A$583m, *and has won acceptance from the CBA directors.*

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
	Prices in pence unless otherwise indicated.					
Anglo Metrop.	104	104	101	5.92	First Penn. Mort. Tst.	—
Brit. Sugar Cpn.	285*	334	315	171.00	Berisford (S. & W.)	26/5
Collins (Wm.)	200*	245	180	8.24	News Int.	—
Collins (Wm.) 'A'	150*	165	135	14.51	News Int.	—
Constrctn. Hldgs.	211§	217	193	2.00	Fulcrum Inv. Trust	—
G. H. Downing	200*	208	158	12.06	Hanson Trust	—
Hield Bros.	10½*	11½	10½	1.59	Gamma Beta Inv.	—
Hirst & Mallinson	36	34	30	1.86	Assoc. Brit. Eng.	—
Inveresk	35*	34	35	7.12	Georgia-Pacific	—
Le Vallonet	45*§	76	43	0.36	Atlantic Res.	27/5
Lloyds & Scottish	200*§	194	185	144.21	Lloyds Bank	—
London and European	43§§	43	44††	0.51	Bardsey	—
Provincial	50½	51	57½	16.46	Hawley Leis.	—
Ruo Estates	58*§	60	58	0.79	E. Produce and Laurie Plants.	—
St. Piran¶¶	60*§	65††	65††	4.93	Gasco Invs.	—
Savoy "A"	190‡	191	125	52.74	Trusthouse	—
Savoy "B"	£11¾	£11½	775	14.86	Trusthouse	—
Tunnel "B"	403½§§	414	320	73.64	Ward (T.W.)	21/5
Warner Hols.	149	144	64††	7.15	Grand Met.	—
Warner Hols. "A"	119½	117	55††	4.20	Grand Met.	—
Westward TV "C"	24*	23½	20	2.31	TV Sth. West	—
Wrighton (F.)	77½*	72	70	3.49	Greenbrook	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 16/5/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Argus Press	Dec.	808	(3,890)	17.9	(57.9)	7.5	(37.0)
Bank of Ireland	Mar.	52,700	(42,200)	88.5	(72.4)	22.0	(19.0)
Barr & Wallace	Dec.	50L	(1,900)	24.8	(25.0)	3.0	(6.75)
Beattie (James)	Jan.	3,590	(3,810)	17.1	(15.7)	4.5	(4.5)
Brit. Borneo Ptlm.	Mar.	1,100	(1,590)	16.0	(22.8)	12.2	(9.5)
Brit. Home Strs.	Apr.	39,660	(41,830)	13.5	(15.0)	4.5	(4.38)
British Vending	Dec.	186L	(421)	—	(4.9)	—	(1.4)
Bulmer & Lumb	Mar.	776	(1,010)	6.1	(6.7)	3.82	(3.82)
Cater Ryder	Apr.	1,200‖	(983)‖	27.7a	(22.7)a	23.1	(21.0)
Clifford (Chris.)	Dec.	305L	(188)	—	(10.7)	—	(7.5)
Coats Patons	Dec.	65,954	(63,534)	13.9	(12.2)	4.0	(4.0)
Comfort Hotels	Dec.	1,570	(2,560)	2.9	(3.9)	0.6	(0.55)
Copydex	Dec.	15	(369)	3.0	(9.6)	1.0	(3.0)
Costain	Dec.	42,550	(47,650)	47.0	(40.0)	10.0	(9.0)
Credit Data	Dec.	637L‡	(400)L¶	—	(—)	—	(—)

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Ellis & Goldstein	Jan.	1,240	(1,660)	5.1	(4.7)	2.15	(2.3)
Energy Capital	Dec.	130	(27)	1.0	(0.3)	—	(0.94)
European Ferries	Dec.	30,350	(27,000)	20.7	(22.9)	5.18	(4.5)
Evered & Co.	Dec.	646L	(44)L	—	(—)	—	(0.7)
Gates (Frank G.)	Dec.	1,100	(1,560)	10.6	(20.4)	2.0	(2.0)
Hill (Charles)	Dec.	123L	(185)L	—	(—)	—	(—)
Hoskins & Horton	Dec.	188L	(482)	—	(14.9)	2.0	(8.0)
Jeffrsn. Smurfit	Jan.	17,400	(18,060)	17.9	(20.9)	9.2	(9.2)
John Folkes Hefo	Dec.	1,350	(3,880)	3.4	(7.3)	1.4	(1.76)
King & Shaxson	Apr.	915‖	(575)‖	10.2a	(6.4)a	5.75	(5.0)
Lee Cooper	Dec.	6,550	(9,220)	16.4	(31.4)	1.74	(1.74)
London Pavilion	Dec.	72	(76)	35.3	(32.5)	12.5	(12.5)
Modern Engnrs.	Dec.	119	(358)	20.5	(8.0)	3.0	(3.0)
More O'Ferrall	Dec.	3,680	(2,790)	15.7	(10.8)	4.0	(2.75)
Neill (James)	Dec.	282	(2,850)	1.1	(12.4)	1.4	(5.84)
NMW Computers	Dec.	5.5	(363)	75.4	(31.7)	10.0	(5.0)
Norvic Securities	Dec.	1,820L	(144)	—	(1.4)	—	(1.2)
Nurdin & Peacock	Dec.	8,650	(7,030)	20.3	(21.9)	4.5	(3.6)
Oxley Printing	Dec.	2,890L	(674)	—	(7.0)	0.1	(3.1)
Pickles (Wm.)	Dec.	1,350L	(102)L	—	(1.3)	—	(0.2)
St. Geo's Laundry	Feb.	251	(151)	14.0	(6.5)	3.0	(1.4)
Sears Holdings	Jan.	99,710	(92,780)	5.7	(7.0)	2.3	(2.0)
Seccombe Mrshll.	Apr.	339‖	(228)‖	24.2a	(16.3)a	18.0	(16.0)
Turiff Corp.	Dec.	1,250	(1,370)	6.2	(9.7)	4.0	(3.75)
Tysons (Cntrctrs.)	Dec.	156	(405)L	7.6	(—)	2.12	(2.12)
Usher Walker	Dec.	338	(294)	16.6	(8.6)	4.07	(4.07)
Wight Holdings	Jan.	986L	(414)	—	(10.4)	—	(5.5)

INTERIM STATEMENTS

Company	Half-year to	*Pre-tax profit* (£000)		*Interim dividends** per share (p)	
Akroyd & Smthrs.	Mar.	5,910	(12,180)	3.5	(3.5)
Associated Paper	Mar.	11	(256)	0.6	(1.21)
Baggeridge Brick	Mar.	136	(276)	1.25	(1.25)
Borthwick (Thos.)	Dec.	1,950L	(992)L	—	(0.01)
Brentnall Beard	*Mar.*	28	(335)L	—	(—)
British Sugar	Mar.	18,100	(13,900)	7.5	(2.75)
Commrcl. Union	Mar.	16,600†	(26,300)†	—	(—)
Cooper (Fredrck.)	Jan.	255L	(341)	0.5	(0.38)
Davenports Brwy.	Apr.	617	(586)	1.16	(1.1)
Hawkins & Tipson	Feb.	476L	(206)	—	(—)
Herman Smith	Jan.	213	(97)	0.2	(0.17)
Higsons Brewery	Mar.	636	(613)	0.4	(0.4)
Jessups	Feb.	20L	(77)L	1.0	(1.0)
Leech (William)	Feb.	156L	(1,540)	3.3	(3.3)
Long & Hambly	Feb.	407L	(203)L	—	(—)
NSS Newsagents	Mar.	2,820	(2,550)	1.35	(1.2)
RCF Holdings	Jan.	454L	(123)	—	(—)
Royal Insurance	*Mar.*	26,700†	(25,500)†	—	(—)
Serck	Mar.	215	(1,200)	—	(1.2)
Smith & Nephew	Mar.	6,070†	(5,390)†	—	(—)
Trafalgar House	Mar.	21,510	(19,340)	3.0	(2.5)
United Scientific	Mar.	2,840	(2,550)	2.5	(2.0)
Unochrome	Mar.	135	(620)	0.25	(0.25)
Westrn. Selection	Mar.	211	(178)	1.0	(1.0)
Wms. (J.) Cardiff	Mar.	681L	(325)	0.5	(1.1)
Wood Hall Tst.	Dec.	1,120	(5,650)	—	(—)
Woolworth (F.W.)	Apr.	2,040†	(2,860)†	—	(—)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † First quarter figures. ‡ Net figure. ¶ Net figure for previous 78 weeks. ‖ *Profit after providing for rebate, tax, minorities and transfer to* contingencies. a Earnings are based on the profit figure after providing for rebate, tax, minorities and transfer to contingencies. b In IR£. L Loss.

Scrip Issues

More O'Ferrall—One for three.
Nurdin and Peacock—One for one.

Offers for sale, placings and introductions

Omark Industries—To seek London listing.
SelecTV—Coming to unlisted securities market by way of a placing of 279,000 ordinary shares at £4.40 a share.

Rights Issues

Cadbury Schweppes—Rights issue on the basis of one for five at 77p per share to raise £57m.
European Ferries—Rights issue on the basis of one for one at 30p per share to raise £36.4m.
Jefferson Smurfit—Is raising £15.7m by way of a rights issue on the basis of one for six at 170p per share.
Lyle Shipping—Is raising £6.3m by way of a rights issue on the basis of one new 25p ordinary share at 315p for every four ordinary or "A" ordinary share held.
Western Selection and Development—Is making a £0.74m rights issue of 2.47m shares on the basis of one for three.

RESULTS AND ACCOUNTS IN BRIEF

BAMBERS STORES—Results for year ended January 31, 1981 reported April 15. Group fixed assets £16.05m (£10.2m). Net current assets £4.27m (£2.44m). Shareholders' funds £17.4m (£8.35m). Mr. S. Marks, chairman, optimistic about current year prospects and looks forward to another year of progress. Meeting, Great Eastern Hotel, EC, June 8, noon.

WATERFORD GLASS (Irish maker of lead crystal glassware)—Results for 1980 reported March 17. Shareholders funds I£48.7m (£42.8m): net current assets £37.76m (£32.12m) including bank balances and cash £5.19m (£3.08m) and overdrafts £16.81m (£13.04m). Fixed assets £42.2m (£31.81m); medium and long term loans £25.09m (£15.83m). Meeting: Dublin, June 9.

GERRARD AND NATIONAL DISCOUNT COMPANY—*Results for the year to* April 5, 1981 reported April 28. Shareholders' funds £30.18m (£25.08m): current assets £1.46bn (£1.2bn), including British Government Treasury bills £240.84m (£86.98m), local authority bills £50.33m (£72,000), commercial and other bills £435.64m (£572.04m), negotiable certificates of deposit—sterling £126m (£78.76m) and Euro-dollar £118.65m (£16.31m); current liabilities £1.43bn (£1.18bn). Accounts show £10,000 ex-gratia payment to a director. Company proposing to change its name to Gerrard and National *Limited. Meeting, 32 Lombard Street,* EC, June 10, noon.

CLIVE DISCOUNT HOLDINGS (discount house)—Results for the year to the end of March 1981 reported on April 24. Shareholders' funds £6.03m (£3.38m): fixed assets £199,353 (£246,374); net current assets £5.84m (£3.22m). Meeting, 1 Royal Exchange Avenue, EC on June 15 at noon.

SPEAR AND JACKSON INTERNATIONAL (tool manufacturer)—Results for year to January 3, 1981 reported April 28. Shareholders' funds £10.44m (£9.74m): fixed assets £7.63m (£6.59m): net current assets £7.3m (£8.02m *liability); loans £3.38m (£3.4m). Meeting*, Old Broad Street, EC2, June 1, 11.00 am.

SPAIN

May 14	Price %	+ or −
Banco Bilbao	309	+3
Banco Central	358	
Banco Exterior	282	
Banco Hispano	292	+3
Banco Ind. Cat.	123	
Banco Santander	338	+3
Banco Urquijo	188	+2
Banco Vizcaya	328	
Banco Zaragoza	278	
Dragados	161	+3
Espanola Zinc	75	
Fecsa	73.7	+7.7
Gal. Preciados	39	+1
Hidrola	72	−0.7
Iberduero	59	+0.3
Petroleos	107.5	+0.5
Petroliber	88	
Sogefisa	79	−2
Telefonica	63.5	
Union Elect.	70	

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1980-81 High	1980-81 Low	Company	Last price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
76	39	Airsprung	72	—	4.7	6.5	11.4	15.8
52	21	Armitage and Rhodes	51	—	1.4	2.7	21.0	48.6
199	92½	Bardon Hill	199	—	9.7	4.9	7.5	12.8
103	88	Deborah Services	103	+1	5.5	5.3	5.1	9.7
126	88	Frank Horsell	103	—	6.4	6.2	3.2	5.9
110	39	*Frederick Parker*	59	—	1.7	2.9	25.7	—
110	64	George Blair	64	—	3.1	4.8	—	—
110	59	Jackson Group	103	—	6.9	6.7	3.9	8.0
125	103	James Burrough	125	—	7.9	6.3	10.2	10.2
334	244	Robert Jenkins	330	+2	31.3	9.8	—	—
55	50	Scruttons "A"	55	—	5.3	9.6	4.0	4.0
224	204	Torday	204	—	15.1	7.4	3.5	7.9
23	8	Twinlock Ord.	13	+½	—	—	—	—
90	68	Twinlock 15% ULS	73	+1	15.0	20.5	—	—
56	35	Unilock Holdings	44	—	3.0	6.8	5.8	10.7
103	81	Walter Alexander	100	—	5.7	5.7	5.5	8.8
263	181	W. S. Yeates	255	—	13.1	5.1	4.8	9.8

Hoveringham Group Limited Hoveringham Nottingham NG14 7JY

Gravel, Stone, Ready-mixed concrete, Waste disposal, Insurance, Freight, Builders' merchants, Leisure

Creditable results after a difficult year

Highlights of 1980

- Long-term quarry investment maintained
- Continued progress from U.K. diversification
- Strong cash flow with significant debt reduction
- Dividend more than twice covered by CCA profits

Results in brief

For purposes of comparison 1979 figures have been re-stated to take account of a full year's depreciation and depletion (£711,000) on a revaluation of U.K. properties as at 31st December 1979. The corresponding amount charged in 1980 is £863,000.

Year to 31st December	Historical 1980	Historical 1979	Current Cost 1980
	£000	£000	£000
Turnover	77,169	61,671	77,169
Trading surplus	11,108	9,701	10,773
Profit before taxation	2,186	3,089	1,878
Profit attributable to shareholders	1,866	1,668	1,516
Earnings per share	9.12p	8.04p	7.48p
Dividend per share	2.90p	2.79p	2.90p

The 1980 annual report will be posted to shareholders on 1st June 1981 and the Annual General Meeting will be held on 24th June 1981. Final dividend payable on 3rd July 1981 to shareholders on the register at close of business on 12th June 1981.

HOVERINGHAM

GLEESON

Civil Engineering & Building Contractors

The Directors of M. J. Gleeson (Contractors) Limited announce the following unaudited results of the Group for the half-year ended 31st December, 1980.

	Half-year ended 31st December 1980	Half-year ended 31st December 1979
Turnover	£29m	£34m
	£000s	£000s
Profit before Taxation	465	450
Taxation	122	250
Profit after Taxation	343	200

The above turnover figures record the expected lower levels of output which have resulted from work shortages in the public sector (*particularly civil engineering*) during the continuing recession. The pre-tax profit figures include rents receivable of £234,000 in the half-year ended 31st December, 1980, compared with £104,000 in the corresponding period; and the lower tax charge (which in the period under review relates only to rents receivable) reflects the Group's *improved taxation position under the new code for stock relief.*

In view of the improving quality of the Group's distributable profits (50% of which comprised property investment income in the half-year under review) and the higher figure of profit after tax, the Board again feels justified in continuing the policy of gradually increasing the distribution to shareholders by declaring an interim dividend of 1 penny per share (compared with 0.9p last year) which will be paid on 3rd July, 1981, to shareholders on the register at the close of business on 11th June, 1981.

Regarding current trading and future prospects, the expected decline in turnover seems likely to continue during the present period of recession for public works contractors; although this will lead to lower plant utilisation and reduced coverage of overheads, the Board is confident that trading profits will nevertheless be maintained during the recession by good results from our residential estate developments and amounts receivable from the continuing process of settling final accounts of past contracts.

Bearing in mind the Group's substantial and growing property investment portfolio, the Board has decided it is appropriate to counter the inference from the company's present name that the Group are contractors only by changing the company's name to "M. J. Gleeson Group Public Limited Company" and, subject to the necessary consents, a resolution to this effect will be proposed at the shareholders' meeting in January 1982.

Sears Holdings Limited

Results for the year ended 31st January, 1981

	1980/81	1979/80
	£m	£m
Turnover	1,384	1,258
Group profits before taxation	99.7	92.8
Taxation	45.0	28.0
Group profits after taxation	54.7	64.8
Dividend	20.6	17.9
Added to reserves	30.1	44.6

- Turnover exceeded £1.38 billion, an increase of 10% over 1979/80.
- Pre tax profits increased by 7.5%.
- Tax charge higher due to substantial reduction in stock relief.
- Dividend up from 2.0p to 2.3p per share, an increase of 15%.

Copies of the 1980/81 Annual Report and Accounts will be available from 5th June, 1981 and may be obtained from The Secretary, 40 Duke Street, London W1A 2HP.

GRAND METROPOLITAN

INTERIM REPORT — 1981

During the first six months of the current year the effects of the U.K. recession were particularly severe although the U.S. economy showed signs of recovery. External sales excluding Liggett increased by nearly 9%; while in the U.S. the external sales of Liggett are estimated to have increased by about 14%.

In addition to the effects of the U.K. recession, the trading profits of Hotels and catering and Wines and spirits were also adversely affected by the strength of Sterling with its inevitable impact on tourism and exports. The effect on profits of the additional depreciation arising from the property revaluation on 30th September, 1980 is shown separately.

The increase in interest charges compared with the previous year reflects the acquisition of Liggett. The level of interest charges was also influenced by the increase in U.S. Dollar interest rates.

I am pleased to report that in the difficult circumstances outlined above profit before taxation for the half year increased by over 12% to £68.8 m. I am optimistic that conditions in the U.K. will begin to improve later this year and that the hard work and improved efficiency demonstrated by our results to date will enable us to continue our progress.

The Board has decided to pay an interim dividend for the year ending 30th September, 1981 of 3.175p per share (1980—2.875p) on 5th October, 1981 to shareholders on the register on 28th August, 1981. The cost of the interim dividend will amount to £16.3 m. (1980—£14.8 m.).

SIR MAXWELL JOSEPH
15th May, 1981 Chairman

External Sales	Notes	Half year to 31st March 1981 £m	Half year to 31st March 1980 £m
Hotels and catering		178.8	164.0
Milk and foods		274.1	243.6
Brewing and retailing		336.1	310.5
Wines and spirits		280.1	255.9
Leisure		187.9	179.9
Liggett (acquired in June, 1980)		240.3	—
		1,497.3	1,153.9
Trading Profit			
Hotels and catering		6.2	8.5
Milk and foods		15.3	13.8
Brewing and retailing		25.6	25.4
Wines and spirits		21.6	22.9
Leisure		13.6	13.9
Liggett	2	33.1	—
		115.4	84.5
Additional depreciation arising from property revaluation		2.4	—
		113.0	84.5
Interest		44.2	23.3
Profit before Taxation		68.8	61.2
Taxation	3	17.2	18.4
Profit after Taxation		51.6	42.8
Minority shareholders' interests		1.3	1.4
Parent company preference dividends		0.2	0.2
		1.5	1.6
Profit attributable to ordinary shareholders before extraordinary items	4	50.1	41.2
Earnings per share based on attributable profit shown above		9.7p	8.0p

Notes

1. Foreign currencies have been converted to Sterling at the rates ruling at the end of each period.
2. The 1980 figures for external sales and trading profit have been adjusted to reflect the divisional reorganisation in June, 1980. The external sales and trading profits of Liggett include the *result of U.S. Milk and foods and Wines and spirits activities.*
3. The charge for taxation is estimated on the basis that U.K. corporation tax will be 52% (1980—52%) and includes overseas taxation of £11.6 m. (1980—£2.6 m).
4. It is estimated that extraordinary items for the half year to 31st March, 1981 will give rise to a net charge of approximately £0.7 m.

UK COMPANY NEWS

Macdonald Martin declines to £1.2m

HIGHER interest charges and a downturn in shipments have pushed pre-tax profits of Macdonald Martin Distilleries back to £1.16m in 1980, compared with £1.53m a year earlier.

After current cost adjustments, the surplus is reduced to £397,000.

Earnings, after tax of £133,053 (£141,108) are shown as 37.96p (49.99p) per A share and 18.98p (24.99p) per B share. The dividends on both classes of stock are maintained at 11.5p and 5.75p respectively.

Interest charges jumped from £820,316 to £1.29m in a period when rates were high and the group was engaged in a long term stock building programme with substantial capital expenditure.

In addition, say the directors, shipments fell because of destocking by distributors which affected the scotch whisky industry as a whole.

Turnover during the year increased from £13.76m to £15.48m.

The directors say that while some export markets were particularly difficult, progress was made in a number of overseas areas and in spite of the recession sales gains were achieved in the UK with the Highland Queen and Glenmorangie brands.

• comment

Macdonlad Martin "A" shares added 5p to close at 360p after figures showing a 24 per cent fall in pre-tax profits but signs the group had increased its market share. Margins were under increasing pressure in the second half and the debt service burden grew as borrowings rose by almost 50 per cent to £8.6m to finance higher stock levels and £1.6m of capital expenditure. Borrowings have been reduced a little in the first four months of 1981 and orders are up on this time last year with signs that destocking has been at least temporarily halted. But with no indication of a major upturn in demand for beer after the increase in duty announced in the Budget and interest rates looking set to tread water in the light of higher U.S. rates, no speedy recovery to 1979 earnings of £1.5m is in sight. The "A" shares yield nearly 5 per cent, marginally lower than Bass Charrington which markets the group's key Highland Queen.

Tilling sees volumes improve

AFTER A slow start to 1981, particularly in Europe, the Thomas Tilling group was now experiencing an improvement in trading volume, Sir Robert Taylor, chairman, told shareholders at the annual meeting.

However, while the board shared the generally expressed view that the destocking cycle may have reached its bottom, it could not yet be said whether the recovery in trading volume would provide a matching recovery in profitability in 1981.

Sir Robert added that whatever British companies could do to increase sales volume and market share, there continued to be far too great an increase in costs completely outside their control—particularly those arising from public utilities prices and local taxation.

Like all private industry, Tilling was still too heavily burdened by continuing increases in the public sector and the costs it so freely passed on to the private sector.

Nevertheless, with its financial strength, operating efficiency and wide range of activities and markets, he was confident the group would continue its traditional pattern of profitable growth in the years to come.

Referring to the recently announced recommended offer for the U.S. Supply Company, a building and industrial products distributor in Missouri, Sir Robert said this company would spearhead further expansion in a relatively new trading area for the group in the U.S.

As known, Tilling's pre-tax profits fell from £81.1m to £70.7m last year.

Gaskell Broadloom shortfall

TAXABLE profits of Gaskell Broadloom for the second half of 1980 shows a £232,317 decline at £338,812, and this leaves the full year result £450,536 lower at £653,317.

Turnover of this manufacturer of carpet underlays, floorcoverings and non-woven products improved from £11.88m to £12.53m. There is a tax credit this time of £65,713, against a £277,161 charge and, after an extraordinary debit of £50,000, the attributable balance comes through at £674,985 (£836,692). On a CCA basis the attributable profit was £436,000.

The net final dividend per 20p share is 2.5p, raising the total payment from 2.8p to 3.5p.

Tharsis in profit for 1980

IN ITS first annual results since a major reconstruction, Tharsis Company, which has land development, building and agricultural interests in Spain, has turned in a pre-tax surplus of £299,244 from turnover of £2.6m for 1980.

Under a scheme of arrangement which became effective on September 26 last year, the group, formerly known as the Tharsis Sulphur and Copper Company, divested itself of its Spanish pyrites mining activities. The 1980 figures are stated as if the scheme had been effective for the whole year.

On a comparable basis, 1979 profit is shown as £67,000 and turnover, £1.86m.

Davenports satisfactory recovery

The directors of Davenports Brewery (Holdings), which this week reported first half pre-tax profits up from £586,000 to £617,000, say the interim results show the group has recovered satisfactorily from the effects of last year's strike and the general economic recession.

The outlook for the second half remains uncertain but the directors believe the recovery can be sustained, although much will depend on factors outside management control, including interest rates, inflation and public reaction to higher prices forced by the budget increases in tax on alcohol and fuel.

Considerable scope for improvement still exists in certain trading areas, notably Beer at Home and Contract Canning and Bottling, where the impact of the recession is most marked. But the Free Trade Department continues to expand, say directors.

Amax still confident

AMERICA'S leading mining company, Amax, is still confident of an upturn in the second half of the year, according to Mr. Pierre Gousseland, the chairman.

The chief executives of several other major natural resources concerns have recently gone on record as saying that they now expect the recession to be somewhat more prolonged than was first thought.

The trend seems to be towards a belief that the upturn in metal prices will not come until early next year, too late to have any beneficial effect on this year's profits.

Mr. Gousseland explained his confidence by pointing out that Amax is widely diversified, with interests in coal, oil and gas, fertilisers and speciality metals in addition to base metals.

The company has already said that it expects a "great year" in 1981, although profits will not be as high as 1980's record of $470.4m (£224m).

Amax remained confident even after a poor performance in the first quarter, and Mr. Gousseland said yesterday that he expected the company's molybdenum interests, where it is the world leader, its massive coal resources and its substantial phosphate business to cushion the effects of poor prices for base metals over the rest of the year.

Revenue rise for 1928 Investment

Revenue of the Nineteen Twenty Eight Investment Trust moved ahead from £1.43m to £1.68m for the year ended March 31, 1981, after tax of £921,815 against £735,228.

The final dividend is increased to 2.4p (2p) net per 25p share, making the total distribution 4.4p —last year's amount was 4.45p and included a 0.6p non-recurring special payment.

Gross revenue came to £3.01m (£2.72m) and was subject to expenses of £146,456 (£123,756) and interest down from £430,138 to £260,455. Earnings per share are shown as 4.62p compared with 3.92p.

Results for 1979-80 exclude special dividends from Shell and Unilever of £320,416 gross.

FIRST SCOTTISH AMERICAN TRUST

Listing has been granted for 448,462 ordinary shares of First Scottish American Trust which have been issued against conversion of £487,459 5 per cent convertible unsecured loan stock 1992-97.

After these there is in issue £370,810 stock, and £7.83m ordinary capital.

WHITBREAD TO REPAY STOCK

Whitbread is to repay the outstanding £352,722 of the 3¾ per cent redeemable debenture stock 1979-84. Repayment will be made at par on August 1.

THOMSON CARAVANS

The financial statements of Thomson T-Line Caravans have been prepared on a going concern basis, which is dependent on the continued support of the group's bankers, the auditors state.

Mr. David Thomson, chairman, tells members that bank interest charges and redundancy payments accounted for over half of the t£461,653 (£271,830) loss for 1980.

"Due to depressed sales in the caravan division we have been unable to fully recover our costs," he says — turnover dropped from £3.85m to £3.32m, as reported on April 30.

Balance-sheet shows net current assets down from £606,362 to £174,910, and shareholders' funds of £1.97m against £2.34m.

Mr. Thomson says that negotiations are in course for the sale of two areas of land and two factories, which are surplus to requirements, the proceeds of which will considerably reduce bank borrowings.

Meeting, Falkirk, June 10, at noon.

UK NEWS

TOP SALARIES REVIEW BODY RECOMMENDATIONS

Higher pay plan for MPs stirs controversy

By Ivor Owen

IF THE Government's proposals are approved, MPs' salaries will go up on June 13 to £13,950 — more than twice the amount they were receiving after the General Election just over two years ago.

Pay rises for MPs always provoke controversy in Parliament, as well as in the country. Soon after yesterday's announcement in a written answer by Mrs. Margaret Thatcher, the Prime Minister, Mr. Dennis Skinner (Lab., Bolsover), a leading Left-wing member of the Labour Party's national executive, was on his feet protesting in the House of Commons.

He claimed that at a time when the Government was telling civil servants that their 1981 pay rise must not exceed 7 per cent, MPs would receive the equivalent of an 18 per cent rise.

Mr. Skinner maintained that a Ministerial statement should have been made so that the position of the Government, which was trying to force through a "6 or 7 per cent incomes policy," could have been immediately challenged.

With uncontroversial private members' legislation dominating the proceedings, no senior Minister was present to respond to what the Prime Minister is known to regard as a grossly unfair presentation of the background to the latest pay rise for MPs.

For many years, MPs have consistently received lower increases than those recommended by the Boyle Committee on top salaries. The Government interprets the award which will take effect on June 13 as a 6 per cent addition to a belated 12 per cent increase to parliamentary salaries already approved but prevented from earlier effect by a staging process which has been spread over three years.

This will not prevent the Prime Minister's critics pointing out that she never ceases to draw attention to the fact that pay levels in the Civil Service have risen by something like 50 per cent over the last two years.

The Government is proposing that MPs should receive £13,950 from next month. The Top Salaries Review Body recommended that they should be paid £13,750.

As a result of the review body's proposals, the salaries of Cabinet Ministers will be increased to £27,825.

The Prime Minister, whose salary entitlement goes up to £36,725, and Lord Hailsham, the Lord Chancellor (£44,500), have agreed that they should continue to receive the same salary as other members of the Cabinet.

The salary of Mr. Michael Foot, the Leader of the Opposition, will go up to £25,550.

A long-awaited innovation will permit Ministers of State and parliamentary secretaries in the House of Lords to receive an additional payment of £3,500 in lieu of parliamentary salary.

Armed forces to get 9.4% net rise

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

A NET increase of 9.4 per cent, to a total of £197m a year, is recommended by the Armed Forces Pay Review Body, in its latest report.

The gross increases amount to an additional 10.3 per cent over the originally estimated pay bill for 1981-82. But after taking account of rises in food and accommodation charges borne by the forces, the result is "for some ranks, a relatively small net increase."

The results of the review body's latest study, published yesterday as a White Paper, show a wide variation in the effects of the award.

A married colonel with four years' seniority in the rank will get a 13.9 per cent rise, to £352.87 a week, but a private will receive only an 8.3 per cent rise, to £76.23 a week.

The increases are subject to higher taxes and other items, which means that the net improvements in pay are sometimes very small, or even non-existent.

SCALE OF RISES	New rate (from April 1, 1981)	Old rate (from April 1, 1980)
Brigadier	£20,900	£18,250
Colonel*	£17,480	£15,341
Lt. Col.*	£15,012	£13,063
Major*	£11,304	£10,008
Captain*	£ 8,979	£ 7,866
Lieutenant*	£ 7,220	£ 6,314
2nd Lieut.	£ 5,950	£ 5,201

* On appointment: pay rises according to number of years in rank.

A private, for example, after taking account of increases in taxes and accommodation and other costs, ends with a cut of 16p.

The review hody says this is partly the result of changes in levels of pay and charges from April 1, the increased charges being deducted before pay is received.

Nevertheless, the review body claims that its recommendations "are consistent with the over-riding principle of the military salary, that both the income received and the costs borne by the serviceman should be broadly on a par with those that apply at equivalent levels in civilian life."

The review body recognises that its recommendations may conflict with other pay awards "in a difficult period for the economy as a whole, and against the background of restricted provision for paybill increases" under the Government's cash limits system.

However, it believes the recommendations are "appropriate" in the present economic climate.

The review body says it has taken account of the forces still being short of their total manpower requirements, which is a legacy of earlier periods when pay deteriorated compared with rates obtainable in civilian life.

The aim is to try to sustain recruiting and the retention of service personnel. There have been improvements in both areas in recent months, but there are still difficulties in a number of key areas.

"There are still serious problems in attracting recruits into commissioned service in the numbers needed, and persistent difficulties of recruitment and retention in certain areas where technical skills are required."

Tenth Report of the Review Body on Armed Forces Pay 1981; Command 8241; SO, £5.80 net.

Doctors and dentists face 3% cut in award

BY PHILIP BASSETT

DOCTORS' AND DENTISTS' representatives seemed yesterday to be resigned to the inevitability of their review body's pay award being cut by 3 per cent to keep it within the 6 per cent pay provisions of the Government's public service cash limits.

Leaders of manual unions in the Health Service were much more sharply critical.

The British Medical Association expressed disappointment at the cut in the recommendations, chaired by Sir Robert Clark, chairman of Hill Samuel. But Mr. John Havard, BMA secretary, said that the Government was entitled, for "clear and compelling reasons," not to accept in full the review body's recommendations.

He believed the medical profession would consider the Government's decision and the Prime Minister's reasons for it in a responsible manner.

Mr. Ron Keating, assistant general secretary of the National Union of Public Employees, accused the Government of breaking its promise to remove Health Service pay from the arena of industrial conflict, and referred to the claims still pending from the ambulancemen, who threaten industrial action, and the nurses.

Details of how the cut in the report's recommendations will be effected have still to be worked out in negotiations with doctors and dentists.

Their representatives could agree to a different shareout of the 6 per cent, but it was thought yesterday that the average pay for the most junior hospital doctor, the house officer, would be £5,724 rather than £5,890; for consultants £21,062 instead of £21,660; and medical GPs £17,917 instead of £18,480.

If they had been paid in full the review body's recommendations would have added in a full year some £121m, or 9 per cent, to the cost. The reduction to 6 per cent will bring this down to about £80m.

Last year, in a successful effort to bring NHS doctors' and dentists' pay up to date for the first time in five years, the review body awarded increases totalling 31.4 per cent at a cost of £312m.

Though this year the review body laid great stress on the fact that it had taken the general economic position into account as one of the relevant factors, Mrs. Thatcher said that the recommendations could have been effected fully only by "significant" compensating cuts in the NHS "which would entail an unacceptable reduction in the standards of health care."

She said the Government was bound to ask doctors and dentists to accept similar pay increases to those of other groups of public servants.

(Review Body on Doctors' and Dentists' Remuneration—Eleventh Report, 1981. Cmnd. 8239, SO £4.60.)

DOCTORS' AND DENTISTS' PAY RECOMMENDATIONS

		Present	Recommended	% increase
Hospital doctors:				
House officers	min.	£5,400	£5,890	9.07
	max.	£6,100	£6,650	9.01
Registrars	min.	£7,600	£8,300	9.21
	max.	£9,260	£10,120	9.28
Consultants	min.	£15,510	£16,900	8.96
	max.	£19,870	£21,660	9.00
GPs—dental		£14,675	£16,000*	9.02
GPs—medical		£16,290	£18,480†	13.04

* Target average net income, with effect Oct. 1, 1981.
† Intended average net pay.

Catch-up increases urged for top pay groups

BY MAURICE SAMUELSON

PAY RISES of 12 per cent for judges, defence chiefs and senior civil servants have been urged by the independent Top Salaries Review Body. This is the average amount the Government cut last year from the recommendations of the panel, now headed by Lord Plowden.

An average 12 per cent rise, it says, would bring these groups' salaries to the level needed for April 1, 1980. Substantial increases would also be needed to reach the appropriate level for April 1, 1981.

The Review Body sharply rebukes the Government for rejecting the rises it proposed last year. The Body says "no purpose would be served" by its interim report recommending new salary levels beyond those which still remain to be implemented.

Instead, it strongly urged the Government to implement the recommendations it published last July "in full and as soon as possible."

The Review Body said its credibility depended on the Government's willingness to accept that its recommendations would normally be acted on.

Following a survey of earnings in the legal profession, the Body expresses concern about any fall in the salaries of judges compared with those of barristers. This could have an adverse effect on the recruitment of judges if the difference were allowed to get too far out of line.

Under last year's proposals, the salaries of the head of the home Civil Service, Permanent Secretary to the Treasurer, and Secretary to the Cabinet, would go up 10.4 per cent from £33,500 to £37,000. The same figures would apply for an Admiral of the Fleet (or Field Marshal or Marshal of hte Royal Air Force).

Higher percentage rises would go to Rear Admirals and under secretaries (14.6) and chairmen of industrial tribunals (15.4).

The Review Body will also publish new salary scales before April 1982 designed to catch up on pay rises not awarded in the past two years.

Pointing out that ministers reduced last year's recommended increases by about half to keep in line with the Government's monetary strategy, the report says it has always recognised "the need to operate with due regard to current economic realities."

It adds however: "It is not for us to judge the merits or demerits of any particular government's economic policies."

TOP OFFICIALS' PAY PROPOSALS (£)

	Salaries implemented 1 April 1980	Pay Body proposals for 1 April 1981	Government proposals for 1 April 1981
Secretary to the Cabinet	33,500	37,000	35,845
Permanent secretary	31,000	34,000	33,170
Deputy secretary	24,500	27,000	26,215
Field Marshal	33,500	37,000	35,845
General	31,000	34,000	33,170
Major General	20,500	23,500	21,935
Lord Chief Justice	40,000	43,000	44,500
Lord of Appeal	37,000	40,000	41,000
High Court Judge	32,000	35,000	35,000
President, Industrial Tribunals (England, Wales)	24,000	26,000	25,500

APPOINTMENTS

Bass group executive changes

Mr. V. T. Kehoe, director of marketing (beers) Bass Limited, has been appointed managing director of BASS SALES. He succeeds Mr. Stephen Digby who joins the Board of Bass Wales and West as managing director of Bass Bristol.

★

The following appointments have been made within the LEIGH INTERESTS GROUP: Mr. Malcolm Wood, Mr. Edward Wilkinson, Mr. Robert Armstrong and Mr. David Benton have become directors of Derby Waste Disposal Company on its acquisition by Leigh. Mr. Wilkinson becomes chairman, Mr. Armstrong managing director, and Mr. David Phillips, company secretary. Mr. Frank Taylor has resigned his directorship of the SAFEWAY companies, based in Stockport. Mr. Wilkinson has been appointed chairman, and Mr. Davide Stansfield, finance director of SAFEWAY SLUDGE DISPOSAL. Mr. Keith Bayley continues as managing director.

★

Mr. Duane Skogen has been appointed managing director, manufacturing, CONOCO, based in London. He is succeeded as general manager at the Humber refinery by Mr. Donald Unruh.

★

Mr. C. Russell Smith has been elected president of the BRITISH TEXTILE CONFEDERATION and the retiring president Mr. L. Regan is now deputy president. Mr. A. R. Guy has become vice-president in succession to Mr. J. B. Stuart.

★

Mr. A. Torrens, technical director of KELVIN TANK SERVICES, of Kilsyth, has been appointed managing director. Mr. Samuel Torrens and Mr. K. A. Johnson, formerly technical manager, have also become directors.

★

Mr. Cecil Galliford and Mr. Adam Loxton-Peacock have joined the board of PHOENIX MINING AND FINANCE. Mr. Ian Elliot, chairman of Phoenix, and Mr. Ron Brooks, a director, have joined the board of KANE INVESTMENTS.

★

Mr. Stan Chance, until recently a director of the Pandair Freight group, has been appointed to the board of AIR SHIPPING AGENCIES as an executive director and to be managing director of its associate company, ASA AEROSERVICES. Air Shipping Agencies operates under Matheson Freight Services, owned by Jardine Matheson and Co., of Hong Kong.

★

Mr. Brian Morris has been appointed chairman of the CONTRACTORS AND OFF-SHORE TRADING ASSOCIATION OF MERSEYSIDE in place of Mr. John Smith, who has been elected president.

★

Mr. Peter C. Smith has been appointed president of the BRITISH ELECTRICAL SYSTEMS ASSOCIATION in succession to Mr. P. O. Carruthers.

★

Mr. W. D. Charles has been appointed managing director of CALEDONIAN TRACTOR AND EQUIPMENT COMPANY, of Baillieston near Glasgow. He joined the company in 1975 and became product support director the following year.

★

Mr. Oscar Roith, general manager, engineering department, of BP International, has been appointed chairman of COAL PROCESSING CONSULTANTS, which is jointly owned by BP, Babcock International and the National Coal Board. He succeeds Mr. Donald Davison, who retires by rotation.

★

Mr. Robin Busby has been appointed to the board of PINEWOOD STUDIOS. He became financial controller in 1975.

★

Mr. A. D. Clark has been appointed deputy chairman and joint managing director of BELL AND SIME. Mr. H. V. McGrady has become a director and Mr. A. F. McKenzie, company secretary.

★

Mr. Bob Spencer has been appointed sales director of TKM FOODS canned products division.

★

Mr. Philip A. Dunn has been appointed Group marketing director for the KNIGHT ORGANISATION.

★

Mr. Anthony E. Abrahams has been appointed chairman of ABRAHAMS (TRUST AND SECURITIES) FINANCE CO.

★

Mr. C. B. Nutter, chairman and managing director, R. Taylor and Sons (Scrap) has been elected president of BRITISH SCRAP FEDERATION for the year 1981-82. Mr. R. E. Robinson, director, Robinson and Hannon has been elected president designate.

★

Mr. David J. Brooks and Mr. Edward A. Brian have been appointed to the Board of SUTER ELECTRICAL.

Economic Diary

TODAY: Association of Scientific, Technical and Managerial Staffs conference opens, Blackpool.

TOMORROW: National Savings figures (April).

MONDAY: Two-day meeting of EEC Foreign Ministers opens, Brussels. EEC Conference on Portugal, Brussels. Retail sales (April provisional). TUC-Labour Party liaison Committee meets. Mrs. Margaret Thatcher opens British Robot Association Exhibition and Conference, Metropole Exhibition Centre, Brighton. Modified version of pay claim by Southampton dockers. Prison Officers' Association Conference opens, Plymouth. Institute of Professional Civil Servants Conference opens, Harrogate. Royal College of Nursing Conference opens, Bournemouth.

TUESDAY: House of Commons begins two-day debate on Defence White Paper. Index of industrial production (March provisional). Conservative Women's Conference opens, Central Hall, Westminster—address by Mr. James Prior, Employment Secretary. Mr. Ian MacGregor, British Steel chairman, speaks at American Chamber of Commerce lunch, Hilton International, London. Meeting of EEC standing committee on employment. Dr. David Owen, MP, member of Social Democratic Party leadership, delivers Hoover address, Strathclyde University, Glasgow. British Transport Docks Board annual report. Zoological Society annual meeting, Regents Park, London. Police Federation Conference opens, Blackpool. Fire Brigades Union Conference opens, Bridlington.

WEDNESDAY: Mrs. Margaret Thatcher and Mr. William Whitelaw, Home Secretary, address Conservative Women's Conference. Average earnings (March). Basic rates of wages (April). Confederation of British Industry monthly council meeting. Herr Helmut Schmidt, West German Chancellor, begins four-day visit to Washington. TUC general council meets. Banks meet in Frankfurt on Polish debt. New construction orders (March). Official negotiations in Belize City involving Britain, Belize and Guatemala on independence for Belize.

THURSDAY: Two-day meeting of International Monetary Fund interim committee opens, Gabon. Production ends at Talbot Linwood factory. Ambulancemen pay ballot result. Sir Terence Beckett, CBI director general, addresses CBI Wales Conference, Cardiff. Cyclical indicators for the UK economy (April). Public sector borrowing requirement and details of local authority borrowing (first quarter). First quarter provisional figures for capital expenditure by the manufacturing, distributive and service industries, and also manufacturers' and distributors' stocks. Consumers' expenditure (first quarter — second preliminary estimate).

FRIDAY: Retail prices index (April). Tax and price index (April). NATO Assembly meets for four days, Venice. Finished steel consumption and stock changes (first quarter provisional). Commons adjourns for spring recess. National Freight Corporation annual report.

CORAL INDEX
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BOOKS

When Cyrus Spitama appeared at Court

BY ROBIN LANE FOX

Creation
by Gore Vidal. Heinemann. £8.95. 510 pages

About thirty years ago, one Karl Jaspers invented the idea of an axial age. It went down well in America and proved to be the sort of idea which allowed scholars to get together and have international talks. The axial age par excellence was the sixth century B.C. In one lifetime, Jaspers emphasised, the Chinese had Confucius; India had Buddha; the Greeks were blessed with Solon and the Persians were reformed by Zoroaster. All manner of questions could be asked, why then, why there and what made them all appear together. One point was agreed: their civilisations and ours have never been the same since.

Nor, indeed, has the axial age. Buddha's dates have always been arguable and recently, the greatest living scholar of Zoroastrianism has taken Zoroaster off its wavelength and put him back some five hundred years. The axis has turned out to be fiction, just in time for Gore Vidal to take it seriously and use it as the grid for his historical novel.

I have a very soft spot for his narrator. Cyrus Spitama is Zoroaster's grandson and at the age of 75, he finds himself in classical Athens to listen to the public reading of Herodotus's history of the Persian wars against Greece. He is quick to call it the "father of lies" and sets about writing down his memoirs for his young nephew, Democritus, no less. Cyrus Spitama's mother was a Greek who settled in Abdera, so he knows the Greek language and has a low opinion of the new sophists from his home town. They have picked up his relations' wisdom and vulgarised it after serving for years as woodcutters on the family estates.

Cyrus Spitama has two sides to him. His Zoroastrian faith has not survived the years and his many travels. He is left to live with an undeserved name for holiness, based on his family connections and reports of a dazzling vision of the good god Ahura Mazda which occured when he was still a little boy. As Zoroastrians must be, he is puzzled by the problem of evil. He feels that his grandfather had never explained why the world has been filled with so many nasty creatures and so many horrible events. Wherever he goes, this classic problem travels with him. The Greeks strike him as quarrelsome, corrupt and wrong-headed. Buddha is too passive and sits with an enigmatic smile. Confucius is more to his taste, a fatherly sort of humanist whose ethics are very sophisticated.

At this level, the novel is well on target. Further east, says Cyrus Spitama, the masters think that life is like a circle which goes round and round in birth and re-birth. By his grandfather, he was brought up to think of it all as a progression. At the end of the line, time will be brought to an end and the kingdom of good will triumph over the creations of evil. To this day, the young Zoroastrian puts on a shirt with a large breast pocket which he must fill, symbolically, with his life of good deeds. Zoroastrians must act to further the good creation. Theirs is an optimistic, external faith which is not so strong at *explaining plausibly why things* go wrong. I have always thought it apt that the first Indians to play cricket were the Zoroastrian emigrés in Bombay. Like Cyrus Spitama, I find it hard to imagine Buddhists batting for victory and hitting their way out of trouble on one of life's stickier wickets.

Other books have contrasted these philosophies and *Creation* would not stand up if they were its only centre. But Cyrus Spitama has a worldlier half. He looks with surprise at the Bactrian priests who still take his grandfather seriously. He has seen too much and served too long. He was in Sardis just before the Ionians revolted. He has travelled east into India and reported back to King Darius.


Gore Vidal: Persian blinds

He as been promoted to be King's Eye, or roving special agent, and has followed the future Silk Road east into China. Years with Queen Atossa would take the edge off any faith, while there is not much left to learn after sharing twin Indians with Xerxes in the backroom of a Babylonian brothel. Babylonian bankers continue to offer him stakes in caravan deals between China, India and Iran. A modest mud-brick headquarters cannot disguise their international operations. The oddest fact, says Cyrus, about my travels is that wherever I went, bank rate was always roughly the same. As for the Dorian Greeks, they hate being shut in a harem: "I have found that there is no attitude so bizarre that one will not encounter it sooner or later if one travels far enough."

At his best, Cyrus Spitama begins to read like a 'Dear Bill' letter from the old Persian court. He is cynical and much travelled. He doubts his superiors. He gossips, talks personal trifles and drops the big names at an amusing angle. All this rings true, for life at the Persian court was indeed at the mercy of families and personalities. The two long Persian sections are the best in the book. They have Herodotus's great story to which Gore Vidal can react. But historical novels are weakest when they cut loose on imagination only. That is one reason why the Indian and Chinese sections fall into false colour and lack an edge. Persia's Eastern dimensions deserved to be stressed; but I would not trust anyone who wrote of the "towers of old Taxila." One glimpse of the modern Bhir mound convinces you that it was all rather different.

For a novel, only Cyrus Spitama has enough human interest. There is too much travel and next to no plot. I enjoy some of the in-jokes, but wonder how widely they can appeal: Pigres the Carian Homer is not the most obvious turn for two very witty pages. Elsewhere, I dislike the degree of fiction. Zoroaster's date is perhaps not totally disastrous, nor is the oddest timing for the great war of Sparta and Athens. Wistaria in Babylon is a painful detail, but the total lack of contact between fifth century BC Persia and China seems a gap too wide for a novel to bridge. In the sixth century AD it would all have worked splendidly. For Herodotus, we should have had *Procopius*, a sketch of Byzantium, not Athens, and a final act with that great surprise, Muhammad. Buddhism, China, the Greeks, the Christians, not to mention the Manichees: a Zoroastrian could have seen them all in years when his faith was indeed under question. The far Eastern angle to Herodotus is a good topic for fiction. The axial age and its heroes are not part of it, for contacts between them belong a thousand years later. I prefer to imagine a historical setting than to read an impossible merging of two separate stories. Gore Vidal's odyssey of a Persian courtier does not have the *human* depth to survive these historical flaws. Herodotus is not improved by Jaspers and his axis.

Slippery psyches

BY ISOBEL MURRAY

Walking Naked
by Nina Bawden. Macmillan. £5.95. 221 pages

Original Sins
by Lisa Alther. The Women's Press. £6.95. 592 pages

Smash
by Garson Kanin. Macmillan. £8.95. 522 pages

Laura, the narrator of Nina Bawden's *Walking Naked*, is a novelist. She is interested in the process which transmutes experience from raw shreds into *haute cuisine*. She is attempting to write a true account of crises in her own life, in fictional form. And on the first page she points out that we must believe what she tells us. But it is not so simple.

She has a complicated story to tell, and chooses a difficult and ingenious method of telling. She hopes that the interest will lie "not in what happened, but how, when and why. . . ." So superficially the story has a simple chronology, is the events of a single day of Laura's life, and appears straightforward in introducing characters and giving each his relative importance.

In one day Laura accompanies her second husband, Andrew, and American visitors to a game of Real Tennis at Hampton Court, attends a Boat Race party given by old friends, visits her son Jeremy in prison, and ends up at what had been supposed to be her father's deathbed. In the course of describing that day, Laura finds good reasons for relating major events of her childhood and later life, her two marriages and two families. She also tells us something about her own *psyche and her abiding sense* of morbid depression, of expecting the house to rot and collapse in on her.

But Laura *is* a tricky customer, has a slippery psyche. We do have to believe what she tells us, but not moment by moment. We are given image after image of the different Lauras of the past, in a complex series of mirrors. And we have to piece together a whole truth, an overview, different from the moment by moment reflections.

Why is Laura perpetually anxious? Because her mother left her as a child in war-torn London, looking after an increasingly mad and unpleasant invalid aunt? Because her best friend Hilde lost her whole family in Germany? As the novel proceeds, these elements and many others are disturbed and repatterned, like a kaleidoscope. Is Laura trustworthy? Can she tell the whole truth? I want to read the novel all over again, looking for answers.

Nina Bawden has produced another dazzlingly effective novel with endless shocks in store for the reader, ironic buffetings that force us to reconsider the evidence. *Walking Naked* is not a comfortable book, nor is it easy to forget.

In *Original Sins*, we have a second novel from the author of the highly successful *Kinflicks*. Lisa Alther here writes a panoramic novel of America, mid-fifties to mid-seventies. It deals with five children who played together in Newland, Tennessee, and traces the development of each.


Nina Bawden: all done by mirrors

The Prince sisters Sally and Emily are raised in affluence and security. Sally almost unbearably takes on appropriate attitudes. She is a cheerleader and an Ingenue, a Devout and Most Popular Girl. Her experience of life is hopelessly warped by her acceptances. Meantime Emily fails to impress, is sullen and sulky and hardly sought after. She learns more than Sally, about North and South, women's liberation, lesbianism.

Already, one problem with the novel seems apparent—these five characters are to represent too much, to become unreally typecast and typical. Brothers Jed and Raymond from a lower middle-class home, are again very different. Jed is the sports-loving Apollo, the all-American boy, the shallow, truism-spouting hero, while Raymond like Emily is crossgrained, difficult, introspective, questioning.

Donny has the most to carry. He comes from the poorest home. And is black. It seems grudging to summarise so ambitious a book so sourly. It ought to work better than it does, have more life. But it unwinds very slowly and predictably, the theorem behind the novel is all too apparent. And so much fine and witty writing ends at last in flatness and boredom. I believe Lisa Alther can do much better than this.

If Garson Kanin can do much better than *Smash*, surely he would not have published this gigantic, self-approving novel of the theatre. If ever a novel was tailormade, badly, for a particular kind of success, this is it. In theory, anyone captivated by the glamour of the stage will revel in this very lengthy account of the birth of a successful musical comedy. But no.

The book has no shape, and is inexorably long. It cynically incorporates the predictable sex scenes that signal "packaged bestseller." Except that the sex scenes are unconvincing, the characters are unreal and only the greasepaint is authentic. Not enough.

Chers collègues . . .

BY JANET MORGAN

Concorde Diplomacy: The Ambassador's Role in the World Today
by Sir Geoffrey Jackson. Hamish Hamilton. £9.95. 254 pages

When an Ambassador, High Commissioner or other head of mission sends home a report that is particularly interesting, witty or significant, the Foreign Office has it most elegantly printed — black type on *eau-de-Nil*—and circulated to Ministers and mandarins in the Whitehall stratosphere. Annual reports qualify, and special dispatches contemplating changes of government or ideology, the tragedies befalling heads of state, the conclusion or failure of treaties. So do the reflec*tions of new arrivals or of diplo*mats about to quit. (See, for example, Sir Nicholas Henderson's leaked valedictory dispatch from Paris and, he thought, the Service.)

Such special reports have certain common features: their tone is a mixture of the authoritative and the conversational; there is always a paragraph about trade; historical parallels are drawn, local proverbs quoted, and foreign words and phrases generously sprinkled. There are expressions of grati*tude, or longing, for royal* and Ministerial visits, and of gentle protest at the burdens of a modern diplomatist's life.

Concorde Diplomacy is in content and style an expanded version of just such a dispatch. Sir Geoffrey's theme is the effect on the diplomat's task of such phenomena as supersonic travel, summit conferences, terrorism, Henry Kissinger, Andrew Young, Christopher Soames, Ivor Richard and Peter Jay, television, the European Community, espionage, and ostentatious embracing by politicians. *He does not maintain that the* diplomat's role has been utterly changed by these irruptions; he suggests, rather, that one way and another the hazards and challenges they offer have always been present. Displays of affection between statesmen have their origin in the Latin-American "abrazo" or the ducal encounter on the Field of the Cloth of Gold in 1520; espionage and treason (Sir Geoffrey emphasises the distinction) are nothing new; the *copinage technocratique* or "camaraderie of expertise" of Euro-diplomats is "simply a further evolution of the legendary freemasonry of the . . . *chers collègues* down the ages."

Television has merely given new importance to form, symbol, ceremony; shuttling or parachuting diplomats none the less observe traditional usages (or should)—patience, secrecy and confidentiality, masked by feverish activity and the occasional deployment of a *deus ex machina*. Diplomatic immunity has long been precarious (Sir Geoffrey, held for months in a People's Prison, cited Grotius to his captors). Summits and supersonic travel make local preparation more important, not less; the legitimacy of negotiations between visiting dignitaries continues to depend on the efficiency of their representatives abroad and on ratification back home.

Sir Geoffrey's analysis is plausible, and so is his account of what has changed in the diplomat's world. He points, for instance, to the decline in international morality, exemplified by bizarre and hardly questioned outrageous occupation, poisoning, blackmail. He discusses the way in which the public conscience has become inured to treason, and the demoralising effect that Donald Maclean's defection, in particular, had on the diplomatic service. He indicates the unsettling aspects of Peter Jay's appointment and talks about jet-lag and circadian rhythm. He is not shy to underline the deficiencies of the Foreign Office, while reminding us that "foreign policy is what you do, diplomacy is how you do it."

Concorde Diplomacy is a convincing and pleasant book, flawed only by a curious unevenness of style—the discreet diplomat coexists with the entertaining gossip—and by lamentable editing. Sir Geoffrey's *chers collègues* should be grateful: his clever quotation makes their own published work enticing.

Tale-bearing as a skill

BY PETER KEATING

The Short Story in English
by Walter Allen. Oxford. £9.50. 413 pages

In 1842, reviewing Hawthorne's *Twice-Told Tales*, Edgar Allan Poe advanced what has come to be widely accepted as the first modern definition of the short story. Its special characteristic, the quality that set it apart from the novel, Poe claimed, was "the immense force it derived from *totality*." Capable of being read at one sitting, it should aim at "a certain unique or *single* effect," and every feature, every word, should contribute to that effect. Poe himself never used the term short story, preferring to describe what he and Hawthorne wrote as "tales," but as the older term gave way to the newer and as Poe and Hawthorne came to be regarded as pioneering masters of a distinctively modern literary form, it was Poe's definition of the short story that achieved universal acceptance.

It is curious that a new term or definition was felt to be needed at all; in one sense the short story was as old as recorded literature, even older perhaps. Aren't folk and fairy tales "short stories"? Doesn't an Aesop fable or a Biblical parable satisfy Poe's definition? Didn't Boccaccio and Chaucer write what are short stories in all but name? No truly satisfactory answers have ever been given to such questions, and it remains difficult to define what exactly a short story is. It is clear, however, that the term first came into use in the late 19th century at a time when writers were increasingly self-conscious about their artistic status and deeply attracted to the possibilities offered by literary forms shorter than the traditional novel. Whatever its antecedents, the short story flourished as never before at the turn of the century.

In *The Short Story in English*, Walter Allen follows the example of most writers on the short story and sidesteps the problem of definition. He acknowledges the limitations of Poe's approach, but still accepts that singleness of effect is the distinguishing mark of the short story. Indeed he goes beyond this to claim that the Joycean epiphany — the instantaneous and ostensibly trivial perception that carries with it a multitude of symbolic associations—is the most appropriate basis of the modern short story. Taken to its logical conclusion this line of argument would, as Allen allows, place the short story closer to lyrical poetry than to more traditional tales, and it is certainly not difficult to find examples of modern stories that work in just this way. In contrast, there are the equally familiar stories which are closer to what Allen calls the anecdote or joke, "the story whose end is to astonish us."

It is pointless to attempt to classify or categorise short stories too tightly: the variable nature of the form makes up an important part of its attractiveness for modern writers, but the question of length is surely crucial and Allen ignores it. Melville's *Bartleby*, Conrad's *Heart of Darkness*, and James's *Daisy Miller*, are all included here as short stories. Even when the impossibility of specifying a particular or ideal length for a short story is admitted, it makes sense to separate stories which are effective because of their brevity from those works better described as *nouvelles* or short novels. Another weakness in Walter Allen's method is caused by the restriction of his discussion to the short story "in English." This is problematic only because Allen regards the two most influential short-story writers as being Maupassant and Chekhov. It can be disconcerting to have these writers constantly present as influences without their own work being carefully discussed.

These qualifications apart, the great strength of *The Short Story in English* is its wide-ranging coverage and critical generosity. Scott, Poe, and Hawthorne, are advanced as the first major practitioners of the short story in English, with Stevenson and Kipling bringing a new sense of artistic achievement to the form later in the century: Henry James, here as in so many other aspects of his work, is seen as linking Anglo-American traditions. From the 1890s onwards the possible choice of the best, or even the most representative short-story writers, is enormous, and Allen is a splendid guide, aiming wherever possible for inclusion rather than ruthless selection. Writers from Canada, Australia, South Africa, Ireland and Wales are discussed as well as those from the culturally-dominant England and America.

With Chekhov absent, Kipling takes on something of a central role because in him are to be found what Allen regards as the crucial qualities—a prose style "based on the vernacular" together with "speed and directness of narration, an unerring eye and economy of means." Lawrence would probably be placed next in Allen's hierarchy, closely followed by Joyce, Hemingway, and Faulkner. Writers who were attracted to more leisurely ways of telling stories tend to be downgraded, often unfairly. Hardy is passed over swiftly because his "views on fiction were old-fashioned"; James is admired though the astonishing technical variety of his short stories is not confronted; Somerset Maugham is berated for his "tired prose."

But it is the breadth of Allen's appreciation that finally impresses, conventionally for writers like Sherwood Anderson, Katherine Mansfield, and Joyce Carol Oates; less conventionally for Saki, Caradoc Evans, John Updike, and John O'Hara; while contemporary Irish writers such as Julia O'Faolain and Brian Friel are seen as keeping the short story very much alive. There are also some surprising judgments on less familiar writers. "A Child in the Dark" by the Australian Henry Lawson is described as "one of the best stories ever written"; there is an enticing appreciation of the Welsh writer Rhys Davies; and among neglected English practitioners of the short story, Alun Lewis and Leslie Halward sound as though they are well worth reading.

No discriminating reader is going to agree with all of Walter Allen's critical judgments, or with the amount of space he gives, or does not give, to individual writers, but Allen's enthusiasm is catching, and *The Short Story in English* is by far the best survey of its kind currently available.

Speaking to Studs

Studs Terkel is a man of the people, a hard-driving radio journalist and raconteur. He has built a formidable reputation in the States as a chronicler of simple truths. His newest book—American Dreams: Lost and Found (Hodder. £8.95. 470 pages)—shows him once again getting his subjects, famous and obscure, to speak *frankly about their concerns* and aspirations.

The interviewees, ranging from ex-Klansmen to movie-actresses, are all colourful people. Even the flattest lives appear to be three-dimensional when Mr. Terkel's tape-recorder is running.

Terkel's book may not interest those who are seeking fresh insight into the conundrum of the American dream. For the casual reader, this is enjoyable, lightweight material.

ALAN FRIEDMAN

WORLD STOCK MARKETS

Early 10.99 rise on Wall St

SHARPLY HIGHER levels developed in moderate trading on Wall Street yesterday, when investors were encouraged by remarks in Frankfurt by U.S. Treasury Secretary Donald Regan, that U.S. interest rates should be coming down in the next couple of months.

By 1 pm the Dow Jones Industrial Average was up 10.99 to 984.06, making a net rise of 7.66 on the week, while the NYSE All Common Index, at $76.49, rose 47 cents on the day and 36 cents on the week. Advances led declines by a nine-to-five majority in a volume of 33.2m shares.

Also helping market sentiment were indications that President Reagan may be willing to compromise to ensure passage of his Tax Cut Plan.

Ford Motor picked up $⅞ to $23⅞—analysts said the company's projection Thursday that it will come close to breaking even in the second quarter—when analysts had been projecting a loss of $100m to $200m—caused the gain.

Among other gainers, Compugraphic advanced $2⅞ to $24⅞, General Instrument $2 to $116, Vornado $1⅜ to $18⅛, Southern Pacific $1½ to $51½ and Merck $1⅝ to $91⅞.

Inco rose $1⅞ to $23⅛—it will announce the sale of a minor subsidiary later.

Brokerage stocks were higher, with Dean Witter gaining $2⅞ to $35, Merrill Lynch $1 to $37⅞, E. F. Hutton $1⅞ to $42⅛ and A. G. Edwards $1 to $27.

Dyco Petroleum picked up $1 to $30⅛—it agreed to sell interests in Anadarko Basin property for $35m.

International Harvester improved $1⅞ to $17, but Caterpillar Tractor were off $⅞ to $69⅞—Caterpillar agreed to buy Harvester's Solar Turbines International Division for $505m in cash.

Amax declined $1⅛ to $56⅛—Zambia decided to merge Amax's Roan Consolidated affiliate with Nchanga Copper, and Amax said it may sell its Alamo Petroleum unit.

Actively-traded Lockheed were lifted $1⅞ to $38⅞ on a volume of over 420,000 shares — analysts cited speculation that Lockheed might end its loss-plagued Tri-star construction.

World Airways jumped $1⅞ to $6⅞ — earlier in the week it reported its first quarterly profit in a year.

Noble Affiliates advanced $1⅛ to $45⅛, Tandy $1 to $68⅛, Geo International $1 to $44⅛, Warner Communications $1⅛ to $50⅛ and Allied Corp. $2⅛ to $58.

THE AMERICAN SE Market Value Index gained 2.84 to 372.13, making a rise of 9.95 on the week.

Closing prices for North America were not available for this edition.

Canada

Markets extended Thursday's rise in heavy trading yesterday, when the Gold and Oil indices moved up 73.2 and 62.5 respectively.

The Federal Government has made concessions on the National Energy Programme and Trudeau said he does not plan Wage and Price Controls.

The Toronto Composite Indices rose 14.7 to 2338.4, Metals and Minerals 32.0 to 2302.5 and Banks 2.71 to 375.96.

Inco were up $1⅛ to $26⅞ on heavy trading before being halted due to an imbalance of orders—it has sold a subsidiary and will make a statement later.

Germany

Slightly firmer in quiet trading.

In Industrials, Linde firmed DM 3 to 312.5. But Kloeckner Werke shed DM 1.50 to 54.5 after being expelled from the Steelmakers Federation.

On the Domestic Bond Market, Public Authority stocks tended slightly firmer, with gains up to DM 0.60 and some losses extending to DM 0.50. Bundesbank purchases totalled DM 3.9m of stock.

Mark Eurobonds were steady. Options prices were barely steady, with emphasis on Philips, AEG and Bayer.

Among Foreign shares, U.S. were firm, but French sustained further losses with Elf Aquitaine down DM 17 to 373 and Thomson CSF DM 6 lower at 132.

Deutsche Texaco gained DM 50 to 710 with investors speculating on a free share issue. Interest in IG Farben liquidation stock continued, pushing the price up 0.50 to 12.10.

Tokyo

Stocks firmed in the wake of Thursday's sharp recovery, led by "high priced" Electricals and Precisions, which rose overnight on Wall Street. Volume 570m (£500m).

Matsushita Elec. gained Y70 to 1,760, despite moving ex dividend, and Sony added Y110 at 5,060, encouraging selective buying among Blue Chips.

Drugs, Insurances, Real Estates, Securities Companies and Oils were in request, while Steels and Heavy Electric Machines recovered from opening easiness. But Shipbuildings and Motors fell.

Australia

News ANZ Bank was now holding merger talks with CBC sent the Banking sector to fever pitch.

CBC rose SA1.34 to SA7.20, while ANZ lost 12 cents to SA4.28. CBA, which on Thursday turned from the ANZ's merger proposals and is strongly recommending the bank of NSW offer, gained 86 cents to SA6.70. The Bank of NSW fell 37 cents to SA3.03.

The National Bank dipped 15 cents to SA3.50—it plans to go ahead with the merger with CBC.

Rarely traded Maryborough Sugar rose 70 cents to SA7. Lend Lease 10 cents to SA4.55 and BHP 25 cents to SA13.85.

Modest recoveries on the Mining Boards saw MIM rise 18 cents to SA4.68, Woodside 7 cents to SA2.12, Vamgas 30 cents to SA8.60 and CN Norseman 10 cents to SA7.30.

Southern Pacific were up 5 cents at 80 cents, as were Central Pacific at SA1.90, but Tin Miner Aberfoyle dropped a further 24 cents to SA5.94.

Hong Kong

Share prices closed firmer, after falling at mid-session on profit-taking, with the Hang Seng Index up 16.16 at 1,548.21, after 1,552.88. Trading was fairly active.

Most market leaders ended on a firm note, with Cheung Kong rising 30 cents to HK$28, Hongkong Bank 10 cents to HK$15.70, and Hongkong Land 20 cents to HK$13.50.

Against the general trend, Hang Lung Development lost 10 cents to HK$28.90 and Hang Seng Bank HK$1 to 121.

Elsewhere, Green Island Cement advanced HK$1.50 to HK$65.50 and Carrian Investment 30 cents to HK$8.90.

Paris

All sectors tended weaker, with higher interest rates attracting investors away from the Bourse.

Market speculation that the Government of Socialist President-elect Francois Mitterand might impose tighter exchange controls also depressed sentiment.

Ten major shares were suspended owing to an influx of selling orders, including Thomson-CSF, part of the Thomson-Brandt Group, off FFr 14 to 181, which President-elect Mitterrand has promised to nationalise.

Among other groups which stand to be taken over by the State, Rhone-Poulenc dropped FFr 4 to 67 and Cie Generale d'Electricite shed FFr 15 to 305.

All Foreign sectors were up, except Americans which eased.

Singapore

Share prices closed firm on strong buying in hectic trading, with sentiment also aided by the higher Hong Kong Market. The Straits Times Index rose 9.11 to a record 910.24.

Indices

NEW YORK —DOW JONES

	May 14	May 13	May 12	May 11	May 8	May 7	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
◆Industr'ls.	975.07	967.76	976.82	963.44	976.40	978.39	1024.05 (27/4)	931.57 (13/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	58.88	58.76	58.45	58.51	58.41	58.37	65.78 (15/1)	58.37 (7/5)	—	—
Transport..	422.10	418.28	411.45	410.28	418.40	416.77	447.58 (16/4)	378.17 (20/2)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities.....	108.70	107.38	106.87	105.65	105.56	105.45	117.81 (5/1)	105.99 (5/5)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	42,750	42,600	40,440	37,640	41,860	42,590	—	—	—	—

◆Day's high 979.02 low 963.08

	May 8	May 1	Apr. 17	Yearago (approx
Ind. div. yield %	5.71	5.57	5.51	6.50

STANDARD AND POORS

	May 14	May 13	May 12	May 11	May 8	May 7	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls ...	148.48	147.66	148.78	148.94	149.66	149.47	157.02 (6/1)	143.78 (2/2)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	131.28	130.55	130.72	129.71	131.68	131.67	139.12 (6/1)	126.58 (20/2)	140.52 (28/11/80)	4.40 (1/6/32)

	May 13	May 6	Apr. 30	Year ago (approx
Ind. div. yield %	4.70	4.69	4.61	5.58
Ind. P/E Ratio	9.91	10.83	9.37	7.38
Long Gov. Bond Yield	13.72	13.81	13.36	10.19

N.Y.S.E. ALL COMMON

May 14	May 13	May 12	May 11	1981 High	1981 Low
76.02	75.56	75.60	75.05	79.14 (6/1)	72.45 (20/2)

Rises and Falls

	May 14	May 13	May 12
Issues Traded	1,885	1,904	1,917
Rises	951	852	801
Falls	564	651	702
Unchanged	370	401	414
New Highs	43	55	19
New Lows	24	27	39

MONTREAL

	May 14	May 13	May 12	May 11	1981 High	1981 Low
Industrials	403.51	396.67	389.95	383.97	403.51 (14/5)	356.26 (20/2)
Combined	362.66	365.51	360.54	360.52	373.66 (2/4)	358.64 (20/2)
TORONTO Composite	2323.7	2303.1	2283.4	2276.5	2378.8 (19/4)	2151.4 (28/2)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Sony	857,200	23	+1⅞
Cities Service	760,700	47	-1¼
Fed Nat. Mort	682,000	3⅛	-⅛
Coastal Corp	576,300	42⅞	-4⅛
IBM	569,000	56⅞	-⅛
Western Airlines	436,300	10⅞	-⅛
Am Tel & Tel	455,900	57⅞	-1
Int Tel & Tel	426,300	32⅞	-⅛
Amer. Airlines	428,100	18⅞	-⅛
Texas Oil & Gas	410,500	37⅞	+1⅞

	May 15	May 14	May 13	May 12	1981 High	1981 Low
AUSTRALIA						
All Ord. (1/1/80)	667.4	686.8	695.4	700.9	757.3 (6/4)	541.1 (17/2)
Metal & Minrls. (1/1/80)	588.5	584.5	596.1	602.9	755.2 (7/1)	534.3 (5/5)
AUSTRIA						
Credit Aktien (2/1/62)	62.27	62.45	62.18	61.96	66.45 (5/1)	61.49 (4/5)
BELGIUM						
Belgian SE (31/12/63)	78.17	78.66	76.77	78.21	88.15 (17/2)	75.17 (15/5)
DENMARK						
Copenhagen SE (1/1/73)	(c)	111.24	110.22	108.99	111.82 (5/5)	95.88 (2/1)
FRANCE						
CAC General (29/12/61)	91.8	95.6	(u)	(u)	112.5 (17/3)	91.0 (15/5)
Ind Tendance (31/12/80)	86.9	90.2	(u)	(u)	106.8 (13/5)	86.9 (15/5)
GERMANY						
FAZ-Aktien (31/12/58)	232.9	232.48	232.99	230.91	234.8 (24/4)	215.88 (9/2)
Commerzbank(Dec. 1953	714.7	714.1	717.1	711.8	727.7 (27/4)	668.4 (16/2)
HOLLAND						
ANP-CBS General (1970)	92.5	92.0	92.0	91.9	93.5 (1/5)	65.7 (2/1)
ANP-CBS Indust. (1970)	70.5	70.2	70.2	70.5	72.9 (28/4)	62.8 (2/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1548.21	1532.05	1462.62	1460.49	1850.82 (4/2)	1295.44 (11/5)
ITALY						
Banca Comm. Ital (1972)	267.78	266.97	266.71	266.54	271.37 (30/4)	175.36 (5/1)
JAPAN						
Dow Average (16/5/49)	7468.88	7467.45	7380.64	7480.24	7674.19 (30/4)	6956.62 (13/3)
Tokyo New SE (4/1/68)	554.85	556.55	561.82	556.02	560.66 (30/4)	495.79 (5/1)
NORWAY						
Oslo SE (1/1/72)	121.4	121.80	121.59	122.00	127.37 (4/5)	116.22 (15/2)
SINGAPORE						
Straits Times (1966)	910.2	901.13	900.53	896.56	910.2 (15/5)	659.52 (2/1)
SOUTH AFRICA						
Gold (1958)	—	640.7	649.7	688.2	797.6 (7/1)	561.3 (3/5)
Industrial (1958)	—	651.7	651.5	628.7	653.5 (1/5)	567.2 (5/2)
SPAIN						
Madrid SE (30/12/80)	(c)	118.37	117.94	117.74	118.37 (14/5)	100.46 (2/1)
SWEDEN						
Jacobson & P. (1/1/58)	514.3	510.55	512.71	507.37	514.3 (15/5)	404.17 (20/1)
SWITZERLAND						
Swiss BankCpn.(31/12/58)	293.8	295.1	295.8	296.4	304.2 (2/4)	287.0 (15/2)
WORLD						
Capital Intl. (1/1/70)	—	155.0	155.0	155.6	162.8 (6/1)	149.8 (17/2)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u unavailable.

Amsterdam plans bond options market

By Charles Batchelor in Amsterdam

THE European Options Exchange (EOE) hopes to start trading options on fixed interest stocks within the next 12 months, in addition to share and gold options. A steering committee has been set up and a formal application to trade bond options will probably be made later this year, Mr. Ewald Bouwer, EOE chairman, said.

The exchange expects to reach break-even point at the end of 1981 or in early 1982 after which it will attempt to reduce the high fees charged to members and will consider lowering the sometimes high level of commissions charged to the general public.

The EOE has operated at a loss since it opened in April, 1978, and has required considerable support from its sponsor, the Amsterdam Stock Exchange Association. Last year's operating loss was Fl 2m ($785,000) compared with a loss of Fl 4.6m in 1979, although this was reduced to a loss of $203,000 (Fl 4m in 1979) after taking into account a subsidy of Fl 1.85m from the stock exchange.

The EOE has budgeted for a loss of Fl 1m in 1981 on the basis of an average of 3,250 contracts a day. However, the first four months averaged 3,900 contracts daily and if this is continued the loss could be half the estimate.

The EOE reported a 49 per cent increase in contract turnover in 1980 to nearly 710,000 contracts while premium income rose 117 per cent to Fl 390m ($153m). Royal Dutch Petroleum accounted for more than half of turnover, though interest in options such as Akzo, KLM and Philips also increased.

Turnover in U.S. options rose 31 per cent to 31,939 contracts.

ANZ and CBC hold talks on possibility of merger

BY OUR SYDNEY CORRESPONDENT

AUSTRALIA and New Zealand Banking Group is holding merger talks with the Commercial Banking Company of Sydney, Sir Robert Crichton-Brown, the chairman of the CBC announced yesterday.

The move by the ANZ follows Thursday's announcement that its bid of A$583m (US$665m) for the Commercial Bank of Australia had been capped by an offer for the CBA of A$685.5m from the Bank of New South Wales—the biggest merger move in Australian corporate history.

The ANZ-CBC merger proposal follows the A$391m bid for the CBC this month by the National Bank of Australasia, an offer roundly attacked as inadequate by the CBC.

The move by the ANZ is an attempt to maintain size in relation to the Wales, with which it vies for the position of the leading Australian private sector bank.

Details of ANZ-CBC plans will, it is thought, be announced next week.

The current moves to restructure the Australian banking industry come against a background of concern among banks here that they will face increased competition from foreign banks once the findings of the Campbell inquiry into the Australian financial system are published. These are expected in some two months.

A climax to the manoeuvring was reached on Thursday when the Bank of NSW announced its agreement to merge with the CBA. The Wales offer left the ANZ facing a third place in the Australian bank rankings, after the merger of the Wales and the CBA and that between the National and the CBC, should both have been accomplished.

The form of the CBC's brief note indicated that the ANZ had decided to follow the Wales successful path, and seek a merger rather than a takeover.

The National did not comment on the news that the ANZ had become a rival for the CBC.

News of the ANZ-CBC talks followed another day of busy trading in bank stocks as investors and analysts re-did their sums after the Wales offer. A total of A$14.5m worth of bank shares changed hands in Melbourne and Sydney, with the CBC and CBA dominating business.

The CBA jumped 86 cents to A$6.70 on a turnover of A$3.3m and the CBC rose a full A$1.54 to A$7.30 on a turnover of A$6.06m.

Income falls at Pioneer Electric

BY YOKO SHIBATA IN TOKYO

PIONEER ELECTRIC, Japan's largest audio equipment maker, reports a setback in earnings for the half-year ended March, 1981. It blames currency translation losses plus higher effective tax rates.

Consolidated net earnings fell by 35 per cent to Y7.3bn ($33m) on sales 8.4 per cent higher at Y157.3bn ($736m). Non-consolidated net profits showed a setback of only 7.5 per cent to Y7bn on non-consolidated sales of Y125bn—up 17 per cent.

Disappointing sales growth reflected slack demand in Pioneer's main overseas market, the U.S., as well as a sluggish domestic market. Overseas subsidiaries increased sales by 10.7 per cent to account for 64.9 per cent of the total consolidated turnover. Sales by domestic subsidiaries went up by only 4.5 per cent.

Pioneer is pressing ahead fast into the world video disc market with an optical systems developed by Philips. It has reached agreement with Disco Vision Associates (DVA), its U.S. partner, to supply discs from Japan and has set up a joint video disc software manufacturing plant with DVA in Japan, called Universal Pioneer.

The Universal Pioneer plant has started operation with a monthly output of 100,000 discs. It has potential for manufacturing 200,000 discs a month.

Helped by a combination of new products and price rises, Pioneer expects profits to recover over the rest of the year ending September, 1981—at least at the unconsolidated level. Full year non-group net profits are forecast to rise by 6 per cent to Y16bn.

More Fortia shares for foreigners

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

FORTIA, the Swedish pharmaceutical company, yesterday responded to the demand from foreign investors, when its annual general meeting authorised the board to issue 500,000 new "free" B shares. A one-for-five rights issue is expected to be made later this year.

Only 17 per cent of Fortia's present 2.5m shares are "free" shares available to foreign buyers. But since last autumn demand for these shares, particularly from London, has been so strong that they have been trading at a price some SKr 100 ($20.5) higher than that of the tied shares.

The new issue will raise Fortia's share capital to SKr 150m and the proportion of "free" shares to almost 31 per cent.

Mr. Gunnar Wessman, the managing director, said the timing of the new issue would be determined by the company's profit performance and stock exchange developments. The issue would improve the company's financing possibilities and enable it to make new research efforts, he said.

Fortia's pharmaceuticals subsidiary, Pharmacia, also announced yesterday that the U.S. group, Johnson and Johnson, will take over the marketing of its wound-healing product, Debrisan, in the U.S. from January 1.

Matra and Seiko near deal on watches

By Terry Dodsworth in Paris

MATRA, the French missile and high technology company, has turned to Seiko of Japan in an effort to revitalise its struggling watchmaking interests.

A deal is being negotiated under which Seiko, reckoned to be the world's largest watchmaker, will supply Matra with micro-components and other parts which it cannot make itself. The French company had been hoping to weld together a similar arrangement with VDO Schindling of West Germany, but this arrangement fell through last autumn.

In a second leg to the agreement, Matra will have access to the international Hattori sales network owned by Seiko, while taking a stake in Uti, Seiko's sole distributor in France. Uti and Matra-Horlogerie, the organisation which brings together all Matra's interests in this area, are intending to develop close collaboration in a joint group which will have sales of FFr 895m ($160m), representing about 5m watches a year.

Criticism

Matra's decision to team up with a Japanese company is likely to attract some criticism in France, where there are strong feelings against the *Japanese trade invasion in Europe*. Ministers in the departing administration have in the past liberally criticised their European partners for forging similar alliances.

But Matra clearly needed a quick solution to the problems facing it in the watch and clock making division, which has been put together over the last 18 months partly in response to official pressure to rescue ailing French companies in this sector.

Through a series of takeovers, Matra has brought together four main companies, Jaz, Yema, Framelec and Bayard, with a turnover of FFr 545m ($99m) and a capacity of 4m watches. But this 1,700-man unit has been created at heavy cost, and Matra's own resources in electronics—it has just opened a joint semiconductor plant with Harris of the U.S.—were not appropriate for supplying the watch making division. Hence it has been forced to turn to the Japanese.

RCA joins Rockefeller in U.S. cable-TV project

BY ELAINE WILLIAMS

RCA, the U.S. electronics and entertainments group, is to become an equal partner with Rockefeller Center Incorporated in plans to set up a U.S. national cable television network.

Rockefeller Center announced in December last year that it was financing a cable television network which it described as "the first to offer diversified, high quality entertainment."

Rockefeller Center has already reached agreement with BBC Enterprises, part of the British Broadcasting Corporation, to provide up to 40 per cent of the network's programmes.

Using both satellite and cable technology, the network should reach about 7m homes when it becomes operational next year. Under the agreement, the BBC will make its programmes available for 10 years.

It is the first such venture for RCA which wants to have a major involvement in this fast-growing industry.

The BBC sees the deal as an opportunity to gain experience of cable television and to increase programme sales. In the UK, the BBC is involved in plans to set up cable television networks. Two-year pilot trials involving several British companies are scheduled this year.

Existing U.S. cable services tend to concentrate on sport and new films. The new network, to be known as the Entertainment Channel, will include a range of popular entertainment including drama, action, mystery and children's programmes, classic films and the performing arts.

The service, which will be run from Rockefeller Center's Radio City complex in New York, will be on the air for six hours a day from Monday to Thursday and for eight hours daily Friday to Sunday.

Tax and currency factors push Woolworth into red

BY DAVID LASCELLES IN NEW YORK

SQUEEZED by high U.S. interest rates and the strong dollar, F. W. Woolworth, the large U.S. retailing chain, has reported a $6m loss for the first quarter compared to a profit of $26m in the same period last year. But results were distorted by various tax items and currency translation without which Woolworth estimated that this year's figures would have been better than last year's.

Mr. Edward Gibbons, chairman, said: "These losses reflected the sharp and probably unsustainable rise in the value of the dollar. Since currency gains and losses are not tax deductible, they have a considerable impact on net income." Even so, Mr. Gibbons described the results as "disappointing."

Woolworth's total sales were up 4 per cent to $1.58bn, but most of this was due to a rise in domestic sales. Foreign sales in dollar terms dropped 2.3 per cent, mainly due to a decline in the value of the Deutsche Mark. Woolworth of Britain, which reported halved earnings earlier this week, yielded no income to its U.S. parent, which owns 52 per cent of it.

Mr. Gibbons was cautious about the improvement in the *U.S. market*. "*While it is too early to characterise this performance as a turning point, we observed no measureable decline in activity in the weeks following the Easter selling period.*" But he noted that soaring interest rates had pushed the company's interest expense up from $31m to $38m.

Lafarge lifts profits by 34%

By David White in Paris

THE FRENCH Lafarge cement group yesterday announced a 34 per cent increase in net profit for 1980, the last year before incorporation of the Belgian Coppee concern.

The group, which now uses the name Lafarge Coppée, exceeded its previous forecasts by raising consolidated net earnings to FFr 372m ($68m) from FFr 281m in 1979 on sales which were 14 per cent higher at FFr 9.1bn.

The year's results exclude those of Lafarge's packaging subsidiary, Lafarge Emballage, which was sold to La Cellulose du Pin, the leading French paper company controlled by Sainte-Gobain.

Lafarge's agreement to take over the Coppee group's biochemical, food processing, energy and engineering activities was approved by shareholders at the end of last year.

Setback at CDF-Chimie

BY OUR PARIS STAFF

THE SLUMP in the world petrochemicals and plastics industry pushed CDF-Chimie, the French state-owned chemicals company, into a heavy loss of FFr 550m ($100m) last year after a slight recovery in 1979.

The group, controlled by Charbonnages de France, the nationalised coal concern, said yesterday that it was also hit by abnormally high financial charges in its Copenor subsidiary, which is involved in a big expansion project.

CDF-Chimie earned FFr 13m in 1979 after two years in which it ran up combined losses of FFr 582m. It has put a new retrenchment policy into operation following last year's losses.

Turnover last year increased from FFr 10bn to FFr 11bn, of which 40 per cent was realised overseas.

COMMODITIES/REVIEW OF THE WEEK

World sugar export quotas re-imposed

BY OUR COMMODITIES STAFF

THE CONTINUED depression in world sugar prices resulted in the imposition of export quotas under the terms of the International Sugar Agreement this week.

The October position on the London futures market fell to a new 18 month low early in the week and despite rallying on Thursday and yesterday ended £3.325 down on balance at £179.30 a tonne.

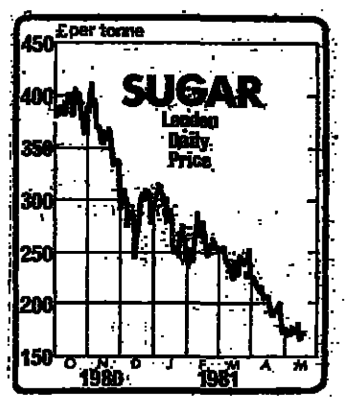
The International Sugar Organisation 15-day average price having remained below the 16 cents a lb trigger level for the required five market days export quotas totalling 1.3m tonnes a year were imposed for ISO members on Thursday. Quota shares will be distributed in proportion to 1980 basic export tonnages.

If prices remain at current levels the 15-day average will soon move below 15 cents a lb and if that level is maintained for five days a 5 per cent cut in quotas will be triggered.

The late rally in sugar prices was thought to be partly due to the imposition of quotas coupled with talk of renewed Chinese buying.

Coffee prices ended lower following the forecast of a bumper Brazilian crop. After falling £7 yesterday the July *futures price ended the week* £24 down at £1,059.5 a tonne.

The Brazilian Coffee Institute released its latest estimate of the 1981-82 crop, putting the total at 32.1m bags (60 kilos each). This was slightly down from its previous forecast but more than 60 per cent up from the 1980-81 figure. The nearness of the annual Brazilian frost season, which always poses a serious threat to the harvest, tended to limit the "bearish" impact of the forecast, but prices still fell back quite sharply.



Cocoa prices also ended lower despite the announcement of a bigger-than-expected rise in UK first-quarter cocoa bean usage. January/March grindings were 38.4 per cent up from the same period last year, the Ministry of Agriculture announced. This news slowed the price fall briefly but July delivery cocoa on the London futures market still ended the week £22.00 down at £909.50 a tonne.

Another basically bullish factor to emerge this week was Brazil's decision to apply the rules of the 1980 International Cocoa Agreement despite the pact's failure to attract signatures from producers representing the required 80 per cent of the world crop. But like the UK grind figure this influence was largely ignored.

Another rise in the European zinc producer price, up by a further $50 to $925 a tonne, was initiated this week by Cominco of Canada and quickly followed by other producers and European smelters. The UK smelter, A. M. and S. (Europe) yesterday confirmed it was going up to $925 too.

This latest increase comes only five weeks after the move to $875 and reflects the upsurge in free market zinc values, not controlled by the producers, on the London Metal Exchange.

The LME cash zinc price, in fact, eased slightly this week on profit-taking sales after the recent upsurge to the highest levels for four years. But the market was up yesterday by £5.5 to £419 a tonne, £5 down on a week ago, in spite of confirmation that workers at the giant Cominco Trail smelter in British Columbia had ratified the tentative agreement on new labour contracts reached between union and management.

Tin prices rallied this week, following reports that the buffer stock of the International Tin Agreement had started some heavy support buying in the Malaysian market. It was claimed that this support buying was the main factor in reversing the recent decline

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£760/70
Free Markets c.i.f.	$1295/1325	—	$1,860/1,880	$1500/1559	$1295/1325
Antimony					
Free Market 99.6%	$2875/2885	—	$3570/3420	$3290/3260	$2685/2695
Copper Cash Wire Bars	£840.5		£876.75	£858	£755
3 months Do. Do.	£863.25	+0.5	£903.25	£877.25	£777.5
Cash Cathodes	£856.5	+5.5	£861	£848	£748.5
3 months Do.	£855.25	+1.75	£884.75	£865	£765.5
Gold per oz	$484.5	−4	$516.5	$601	$465.5
Lead Cash	£332	−5	£330	£357.5	£273.75
3 months	£342.25	−2.5	£340.5	£364.75	£285.25
Nickel	£3,504.50	—	£3,355	£3,504.5	£3,156
Free Market c.i.f. lb	295/310c	—	365/395c	295/310c	270/290c
Platinum per oz	£230	+9	£189/193	£230	£202
Free Market per oz	£225.15p	+5.65	£244.90	£243.40	£185.60
Quicksilver (76lbs.)	$425/435	+5	$380/390	$425/435	$355/365
Silver per oz	525.05p	−0.25	559.70p	671.20p	508.50p
3 months per oz	540.05p	−0.25	579.20p	695.70p	521.40p
Tin cash	£6,177.5	+157.5	£7,345	£6,425	£5,700
3 months	£6,272.5	+162.5	£7,387.5	£6,407.5	£5,865.5
Tungsten Ind.	$147.31	—	$140.50	$149.08	$140.56
Wolfram (22.04 lb)	$142/145	—	$138/143	$151/156	$142/145
Zinc cash	£419	−5	£302.5	£424	£306.5
3 months	£429	−3.5	£312.5	£452.5	£318.25
Producers	$875/925	—	$760/825	$875/925	$825
GRAINS					
Barley Futures	£95.45w	−0.5	£92.45	£102.80	£95.40
Maize French	‡	—	‡	£127.5	£118.75
WHEAT Futures	£101.50w	−0.7	‡	£121.10	£101.10
Hard Winter Wheat	£106.25z	+0.05	‡	£112.5	£102.0
SPICES					
Cloves (g)	$4,650x	—	$4,175	$4,650	$3,800
Pepper, white	$2,150y	—	$2,425	$2,027	$2,000
" black	$1,425x	—	$1,675	$1,650	$1,400
OILS					
Coconut (Philippines)	$565x	+5	$535	$640	$525
Groundnut	‡	—	‡	‡	‡
Linseed, Crude	£425	+1	‡	$460	$400
Palm Malayan	£560v	−10	$580	$645	$560
SEEDS					
Copra (Philippines)	$385x	+5	$400	$430	$350
Soyabeans (U.S.)	$310.50z	—	$266.60	$340	$298
OTHER COMMODITIES					
Cocoa Shipment	£1,010	−22	£1,210	£1,091	£915
Cocoa Futures July	£909.5	−22	£1,174.5	£997.5	£850.5
Coffee Futures July	£1,059.5	−24	£1,760	£1,083.5	£988.5
Cotton Index	87.85c	+0.36	98.55c	101.15c	87.15c
Des Coconut	£660	−25	£725	£680	£640
Jute LJ ABW C grade	$214x		$218	$221	$219
Rubber kilo	54p	+0.5	59p	60.25p	51.5p
Sago Pearl	£215x	—	£204	£215	£197
Sisal No. 1	$750	—	$885	$780	$780
Sugar (Raw)	£171	−2	£340	£315	£168
Tapioca No. 1	£215x	—	£202	£215	£207
Tea (quality) kilo	125p	—	144p	‡	‡
(plain) kilo	74p	+2	68p	‡	‡
Wooltops, 64s Warp	337p kilo	+2	294p kilo	337p kilo	294p kilo

‡ Unquoted. (g) Madagascar. (y) April/May. (x) May/June. (z) June. (w) Sept. (v) July. * Nominal.

BASE METALS

COPPER—Marginally firmer in quiet trading on the London Metal Exchange. Forward metal moved narrowly in the morning but edged higher in the afternoon, following the rise on Comex, to close the late Kerb at £863.5. Turnover: 17,875 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	835-.5	+3	840-1	+5.5
3 months	859-60	+3.25	863-.5	+4.5
Settlem't	836.5	+3	—	—
Cathodes				
Cash	831.5-2.5	+6.25	836-7	+10
3 months	849-50	+5.25	853-.5	+6.75
Settlem't	832.5	+8.5	—	—
U.S. Prod	—		*83.66-88	—

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £835.5, 36, three months £860, 59.5, 59, 58.5, 59, 59.5. Kerb Wirebars, three months £859.5, 60, 60.5. Afternoon: Wirebars, cash £840.5, three months £864, 63, 63.5. Kerb: Wirebars, three months £863, 63.5, 63.

TIN—Little changed on balance. Three months dipped to £6,230 in early trading but rallied on American short covering during afternoon trading before closing the late Kerb at £6,265. Turnover: 1,535 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6145-50	+2.5	6175-80	−12.5
3 months	6250-5	+25	6275-80	+5
Settlem't	6150	—	—	—
Standard				
Cash	6145-50	+2.5	6175-80	−12.5
3 months	6250-5	+25	6275-80	+5
Settlem't	6150	—	—	—
Straits E.	$29.58	−0.09		—
New York	—	—		

Morning: Standard, cash £6,140, 45, three months £6,240, 30, 35, 40, 45, 50. Kerb: Standard, three months £6,265, 60, 65. Afternoon: Standard, three months £6,270, 80, 90, 95, 90, 85, 75, 70, 75. Kerb: Standard, three months £6,270, 65, 70.

LEAD—Gained ground on speculative and chartist buying which triggered stop-loss buying. Forward metal eased to £335 in initial dealings but rallied strongly to close the afternoon Kerb at £343. Turnover: 12,450 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	331.5-2	+5.5	331.5-2.5	+6.5
3 months	341-2	+7.25	342-.5	+7
S'ment	332	+5.5	—	—
U.S. Spot	—	—	*35-8	—

Morning: Cash £332, 31, 32, 31.5, 32, three months £339, 41, 42, 41, 40.5, 41, 40.5, 40, 40.5, 41, 41.5. Kerb: Three months £341, 41.5, 42, 42.5, 42. Afternoon: Three months £343, 42.5, 43, 42, 41.5, 42. Kerb: Three months £342, 41.5, 41, 42.

ZINC—Firmer in quiet trading with forward metal holding around the £428 level despite news of the settlement of the labour dispute at Cominco. Turnover: 8,450 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	418.5-9	+18.2	418.5-9.5	+5.5
3 months	428-9	+9.75	428.5-9.5	+5.25
S'ment	419	+18	—	—
Primw'ts	—	—	*45.75	—

Morning: Three months £429, 28.5. Kerb: Three months £428.5, 28. Afternoon: Three months £428.5, 29. Kerb: Three months £428.5, 28.

ALUMINIUM—Moved up on Commission House buying which lifted forward metal from £638 to £652 before a close of £650. Turnover: 13,600 tonnes.

Aluminium	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	630.5-1.5	+9.5	630-2	+7.5
3 months	649.5-50	+8.5	650-.5	+6.75

Morning: Three months £639, 39, 40, 41, 42, 42.5, 43, 44, 45, 46, 48, 49, 50, 51, 52, 48, 47, 48, 49, 48, 48.5, 49, 49.5, 50, 49.5. Kerb: Three months £649, 48.5, 49. Afternoon: Three months £650, 48.5, 50, 48, 49.5, 50. Kerb: Three months £650, 51, 52, 51, 50.5, 51, 50.5, 50, 49.5.

NICKEL—Quiet with three months trading in a £20 range prior to closing the day at £3,072. Turnover: 750 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficl'l	+ or —
Spot	3030-5	−57.5	3045-55	−37.5
3 months	3050-2	−56.5	3070-5	−15

Morning: Three months £3,050, 55, 60, 55, 50. Kerb: Three months £3,052. Afternoon: Three months £3,060, 70, 75, 72, 70.

* Cents per pound. ‡ MS per kilo. † On previous unofficial close.

SILVER

Silver was fixed 0.9p an ounce lower for spot delivery in the London bullion market yesterday at 525.05p. U.S. equivalents of the fixing levels were: spot $10.905, up 3.6c; three-month $11.425, up 3.0c; six-month $11.928, up 2.1c; and 12-month $12.886, up 2.1c. The metal opened at 522-529p ($10.85-$11.00) and closed at 525-533p ($10.90-$11.05).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	525.05p	−0.9	527.5p	+2.5
3 months	540.05p	−0.7	542.5p	+2.25
6 months	557.10p	−0.5	—	—
12months	592.60p	−0.1	—	—

LME—Turnover 118 (62) lots of 10,000 ozs. Morning: cash 525.5; three months 542, 40.5. Kerb: three months 541. Afternoon: three months 543. Kerb: three months 543, 43.5, 44, 45.

COCOA

Cocoa traded uncertainly in thin conditions during another featureless day for prices to close with modest gains. Actuals business was again quiet with both producers and consumers sidelined at these levels although better interest for nearby resale cocoa was found, reported Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
May	896-897	+4.5	900-890
July	909-910	+4.0	913-901
Sept.	930-931	+5.0	934-931
Dec.	955-957	+5.5	960-947
March	975-976	+4.0	980-970
May	993-994	+2.0	999-991
July	1007-1009	+0.5	1016-08

Sales: 1,353 (3,411) lots of 10 tonnes.

ICCO Futures—Daily price for May 14: 87.29 (88.23); five-day average 89.25 (89.95).

COFFEE

A steadier than anticipated opening suggested a technical reaction to the recent weakness as the market fulfilled a chart indication of a £10 reversal, reports Drexel Burnham Lambert. Early gains were however surrendered as values slid to the previous support levels on commission house selling which followed an easier tendency in New York and stop loss selling.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1030-31	+0.5	1044-35
July	1039-40	−7.0	1055-39
Sept.	1046-47	−6.0	1057-45
Nov	1040-41	−6.0	1050-40
Jan	1032-34	−2.0	1040-34
March	1026-29	+1.0	—
May	1020-35	−1.5	—

Sales: 3,384 (4,728) lots of 5 tonnes.

ICO Indicator prices for May 14: (U.S. cents per pound): Comp. Daily ICA 1976 118.08 (119.30): 20-day ICA 1978 118.09 (119.30): 20-day average 120.55 (120.62).

GAS OIL FUTURES

The market opened unchanged and remained very quiet for the morning session. In the afternoon values lifted slightly to close at the highs, reports Premier Man.

Month	Yesterday's close	+ or —	Business Done
	$ U.S. per tonne		
June	278.50	+1.50	278.00-76.00
July	278.75	+1.25	278.00-75.75
August	284.00	+1.75	284.00-83.50
September	288.75	+1.25	288.50-86.00
October	293.25	+0.75	294.00-93.50
November	297.75	+1.00	—
December	302.50	+1.00	303.00-01.00
January	306.50	+1.00	306.00-05.00
February	312.50	+1.75	—

Turnover: 481 (912) lots of 100 tonnes.

GRAINS

Old crop wheat opened 15p up. Steady buying interest held values firm to close 30p-40p higher. New crops saw little trade with values closing steady, gaining 10p-15p on the day. Barley saw very quiet trading, old crop remained steady with good buying support, May closing firm 80p higher on the day. New crops saw virtually no trade with options closing steady 5p higher, Acli reports.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday's close	+ or —
May	113.60	+0.40	100.85	+0.80
July	115.60	+0.30	—	—
Sep	101.50	+0.10	95.45	−0.05
Nov	105.50	+0.15	99.15	−0.05
Jan	109.20	−0.05	102.70	−0.10
Mar	112.95	+0.15	106.15	−0.15

Business done—Wheat: May 113.80-113.40, July 115.80-115.45, Sept. 101.45 one trade, Nov. 105.30-105.20, Jan. and Mar. no trades. Sales: 126 lots of 100 tonnes. Barley: May 100.75-100.35, Sept. 95.50-95.45, Nov. and Jan. no trades, Mar. 106.10 one trade. Sales: 35 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent June 108, July 107.50 transhipment East Coast sellers. U.S. Hard Winter 13½ per cent June 106.25, July 107 transhipment East Coast sellers. Maize: S. African Yellow June/July 90.00 seller. Barley: English Feed fob Sept. 97.50, Oct 102.50 East Coast sellers. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 100.90, E. Midlands 99.60, N. East 100.20, Scotland 99.00. The UK Monetary coefficient for the week beginning Monday, May 18, will remain unchanged.

RUBBER

The London physical market opened slightly easier, with little interest throughout the day, closing uncertain. Lewis and Peat reported a fob June price for No. 1RSS in Kuala Lumpur of 266.75 (269.0) cents a kg and SMR 238.5 (240.5).

No 1. R.S.S.	Yest'r'ys close	Previous close	Business Done
June	55.20-55.50	55.40-55.50	55.50
July	56.50-57.20	58.50-58.80	—
Jly-Sept	58.30-58.50	58.00-58.20	58.60-57.60
Oct-Dec	61.70-61.80	61.30-61.40	61.60-60.80
Jan-Mar	64.50-64.70	64.10-64.20	64.70-63.70
Apl-Jne	67.60-67.70	67.00-67.10	—
Jly-Sept	70.40-70.50	69.70-69.90	70.40
Oct-Dec	73.30-73.50	72.60-72.80	—
Jan-Mar	76.10-76.20	75.70-75.80	—

Sales: 188 (351) lots of 15 tonnes 1 (54) at 5 tonnes. Physical closing prices (buyers) were: Spot 54.00p (54.50p); June 58.25p (58.00p); July 58.75p (58.50p).

LONDON POTATO FUTURES—News of revised PMB support for the new crop caused early buying, moving prices up £1, before weekend profit-taking trimmed gains on Feb. and April. Values firmed slightly towards the close, reports Coley and Harper. Closing prices: Nov. 59.50, +1.00 (high 59.50, low 58.80); Feb. 67.30, +0.60 (high 67.70, low 67.00); April 74.30, +0.90 (high 74.40, low 73.90). Turnover: 100 (42) lots of 40 tonnes.

SOYABEAN MEAL

The market slightly easier on stronger sterling, reports T. G. Roddick. It continued to drift on light trade selling to close near the lows of the day.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
June	130.30-30.5	−1.15	137.00-30.20
August	131.80-32.0	−1.15	135.50-31.70
October	133.50-33.8	−1.55	135.50-33.50
December	135.00-35.5	−1.50	135.50
February	136.50-37.5	−1.00	—
April	137.50-38.0	−0.75	—
June	138.00-41.0	−1.00	—

Sales: 145 (62) lots of 100 tonnes.

SUGAR

No. 4 Contract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
Aug.	177.50-78.00	175.10-75.20	178.25-75.50
Oct.	179.10-79.50	176.50-76.75	180.00-80.45
Jan.	180.00-80.45	178.00-78.50	180.50-77.00
March	183.50-83.75	181.50-81.90	183.50-79.00
May	184.50-85.00	182.50-85.00	184.50-81.00
Aug	185.50-86.00	184.00-85.00	186.00-83.00
Oct.	185.50-87.50	185.50-95.55	187.50

LONDON DAILY PRICE—Raw sugar £171.00 (£173.00) a tonne cif May-June shipments. White sugar daily price £192.00 (same).

Opening prices were lower than overnight levels but soon recovered. Later the market rallied in thin trading conditions before heavier offerings blunted the advance, reports C. Czarnikow.

Sales: 6,841 (5,410) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £260.0 (same) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for May 14: Daily price 14.18 (14.34); 15-day average 15.07 (15.29).

*

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.50-£4.50, codlings £2.20-£3.00, Large haddock £3.50, Best small plaice £3.70. Skinned dogfish (large) £8.00-£7.00, (medium) £3.00-£4.50. Lemon soles (large) £9.00, (medium) £6.50, Rockfish £2.50-£2.80, Saithe £2.20-£3.40.

AMERICAN MARKETS

NEW YORK, May 15.

THE PRECIOUS METALS were mixed with gold under pressure on the lack of follow-through buying, while silver attracted light support on commission house, short covering. Commission house and local buying rallied copper values. Heating oil was mostly moderately higher on profit taking after the previous day's sharp decline, reported Heinold.

Copper—May 79.40 (78.95), June 80.25 (79.75), July 81.40-81.55, Sept. 84.10-84.25, Dec. 88.20, Jan. 89.30, March 91.60, May 93.85, July 96.10, Sept. 98.50, Dec. 101.75, Jan. 102.85, March 105.05. Sales: 4,000.

Potatoes (round whites)—Nov. 72.5 (71.2), Feb. 79.5 (78.1), March 84.2-84.6, April 96.0-96.4. Sales: 106.

Sugar—No. 11: July 14.85-15.00 (14.46), Sept. 15.35 (14.94), Oct. 15.40-15.45, Jan. 15.50-15.65, March 15.97-16.00, May 16.15, July 16.40, Sept. 16.50-16.60, Oct. 16.65-16.75. Sales: 7,510.

Tin—591.00-605.00 (589.00-600.00).

CHICAGO, May 15.

Lard—Chicago loose 19.50 (same).

Live Cattle—June 66.70 (68.20), Aug. 64.40 (65.90), Oct. 62.97, Dec. 64.02, Feb. 65.70, April 66.97, June 68.20.

Live Hogs—June 48.10-47.80 (48.60), July 49.65-49.85 (51.15), Aug. 50.10, Oct. 49.80-49.85, Dec. 52.17, Feb. 54.67, April 54.55, June 56.80, July 57.00.

‡‡Maize—May 341½-341¼ (344), July 353-353½ (354¾), Sept. 363-362½, Dec. 368½-369, March 382-381½, May 389-389½.

Pork Bellies—May 42.45 (44.45), July 43.77-43.77 (45.77), Aug. 43.62, Feb. 61.37, March 61.60, May 63.00, July 64.25, Aug. 64.05.

†Soyabeans—May 744-743 (751), July 760½-759 (766½), Aug. 764-764½, Sept. 766½-767, Nov. 779-780, Jan. 797½-798½, March 819-819½, May 834.

‖Soyabean Meal—May 217.5 (217.0), July 219.5-218.8 (220.6), Aug. 220.0-220.2, Sept. 222.5, Oct. 222.5-223.0, Dec. 226.8-226.5, Jan. 229.8-29.5, March 36.5, May 237.0-238.0.

Soyabean Oil—May 22.91-22.93 (23.11), July 23.55-23.57 (23.74), Aug. 24.00-24.03, Sept. 24.35, Oct. 24.75, Dec. 25.40, Jan. 25.70, March 26.20-26.30, May 26.60-26.70, July 27.00-27.05.

†Wheat—May 402½ (400), July 417¾-417¼ (415¾), Sept. 434½-434, Dec. 458½-459, March 480, May 491.

US MRKETS 7—? — ? — MACH 19—

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 260.34 (259.47).

WINNIPEG, May 15.

§Barley—May 150.10 (150.10), July 150.60-150.70 (150.90), Oct. 149.30, Dec. 149.60, March 150.40.

¶Silver—May 109.50 (1088.7), June 110.20 (1097.0), July 1120.0-1122.0, Sept. 1155.0, Dec. 1208.0, Jan. 1224.0, March 1258.0, May 1292.0, July 1326.0, Sept. 1360.0, Dec. 1411.0, Jan. 1428.0, March 1462.0. Handy and Harman bullion spot: 1096.00 (1081.00).

*Platinum—May 455.5 (460.5), June 459.5 (466.0), July 464.0-469.0, Oct. 483.0-488.0, Jan. 507.1, April 527.7.

All cents per pound ex-warehouse unless otherwise stated. *$ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Thursday's closing prices

NEW YORK, May 14.

††Cocoa—May 1725 (1747), July 1790 (1812), Sept. 1861, Dec. 1935, March 1995, May 2035, July 2075, Sept. 2115. Sales: 1,400.

Coffee—"C" Contract: May 122.70-122.75 (124.65), July 123.50-123.74 (125.70), Sept. 122.75-123.00, Dec. 121.30-121.40, March 120.25, May 120.50, July 120.40-120.50, Sept. 120.50. Sales: 2,801.

Heating oil (cents per U.S. gallon)—June 0.9245 (0.9306), July 0.9257 (0.9320), Aug. 0.9348, Sept. 0.9540, Oct. 0.9682, Nov. 0.9888, Dec. 1.0065, Jan. 1.0225, Feb. 1.0350, March 1.0500, April 1.0675, May 1.0725, June nil, July 1.0675, Aug. 1.0825. Sales: 2,687.

Orange Juice—May 141.25-141.50 (139.55), July 144.90-145.00 (144.50), Sept. 147.50-147.75, Nov. 149.00, Jan. 149.25, March 149.50, May 149.95-150.00, July 150.45-150.75, Sept. 150.95-151.25. Sales: 1,100.

CHICAGO, May 14.

Chicago Imm Gold—June 486.0-488.5 (482.5), July 493.5 (489.8), Sept. 508.5-508.0, Oct. 515.3, Dec. 530.0, Jan. 537.4, March 552.1, April 559.5.

INDICES

FINANCIAL TIMES

May 14	May 13	Month ago	Year ago
252.86	252.77	261.22	272.36

(Base: July 1, 1952=100).

MOODY'S

May 14	May 13	Month ago	Year ago
1075.5	1075.9	1112.2	1130.2

(December 31, 1931=100)

DOW JONES

Dow Jones	May 14	May 13	Month ago	Year ago
Spot	387.95	396.52	409.12	431.99
Fut'rs	398.71	396.86	418.15	439.15

(Average 1924-25-26=100)

REUTERS

May 15	May 14	M'nth ago	Year ago
1685.9	1686.2	—	1721.9

(Base: September 18, 1931=100)

BASE LENDING RATES

A.B.N. Bank	12 %	■ Guinness Mahon	12 %
Allied Irish Bank	12 %	■ Hambros Bank	12 %
American Express Bk.	12 %	Heritable & Gen. Trust	12 %
Amro Bank	12 %	■ Hill Samuel	§12 %
Henry Ansbacher	12 %	C. Hoare & Co.	†12 %
AP Bank Ltd.	12 %	Hongkong & Shanghai	12 %
■ Arbuthnot Latham	12 %	Keyser Ullman	12 %
Associates Cap. Corp.	12 %	Knowsley & Co. Ltd.	14 %
Banco de Bilbao	12 %	Langris Trust Ltd.	12 %
BCCI	12 %	Lloyds Bank	12 %
Bank of Cyprus	12 %	Mallinhall Limited	12 %
Bank of N.S.W.	12 %	Edward Maanson & Co.	13 %
Banque Belge Ltd.	12 %	Midland Bank	12 %
Banque du Rhone et de la Tamise S.A.	12½%	■ Samuel Montagu	12 %
Barclays Bank	12 %	■ Morgan Grenfell	12 %
Beneficial Trust Ltd.	13 %	National Westminster	12 %
Bremar Holdings Ltd.	13 %	Norwich General Trust	12 %
Bristol & West Invests.	13 %	P. S. Refson & Co.	12 %
Brit. Bank of Mid. East	12 %	Ryl. Bk. Canada (Ldn.)	12 %
■ Brown Shipley	12½%	Slavenburg's Bank	12 %
Canada Perm't Trust	13 %	E. S. Schwab	13 %
Cayzer Ltd.	12 %	Standard Chartered	‖12 %
Cedar Holdings	12 %	Trade Dev. Bank	12 %
■ Charterhouse Japhet	12%	Trustee Savings Bank	12 %
Choulartons	12 %	TCB Ltd.	12 %
C. E. Coates	12 %	United Bank of Kuwait	12 %
Consolidated Credits	12 %	Whiteaway Laidlaw	12 %
Co-operative Bank	*12 %	Williams & Glyn's	12 %
Corinthian Secs.	12 %	Wintrust Secs. Ltd.	12 %
The Cyprus Popular Bk.	12 %	Yorkshire Bank	12 %
Duncan Lawrie	12 %		
Eagil Trust	12 %		
E. T. Trust Limited	12 %		
First Nat. Fin. Corp.	14½%		
First Nat. Secs. Ltd.	14½%		
Robert Fraser	12 %		
Antony Gibbs	12 %		
Greyhound Guaranty	12 %		
Grindlays Bank	‡12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.
† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 9¼%, and over £50,000 10½%.
‡ Call deposits £1,000 and over 9%.
§ Demand deposits 9½%.
‖ 21-day deposits over £1,000 10½%.

LONDON TRADED OPTIONS

May 15 Total Contracts 1331

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	390	40	3	52	8	66	—	402p
BP	420	23	12	42	—	52	5	"
Com. Union	140	31	5	35	—	40	4	165p
Com. Union	180	7	—	10	5	14	6	"
Cons. Gold	460	62	5	82	27	93	—	498p
Cons. Gold	500	40	9	52	4	70	—	"
Cons. Gold	550	20	2	33	11	—	—	"
Cons. Gold	588	9	25	—	—	—	—	"
Courtaulds	50	17	1	19	—	—	—	65p
Courtaulds	60	8½	—	12½	10	14	2	"
Courtaulds	70	5	11	7½	10	9	12	"
Courtaulds	80	2	57	5	20	6½	50	"
GEC	650	45	5	65	—	88	1	663p
GEC	700	18	7	37	4	58	—	"
Grand Met.	180	25	19	31	3	36	3	198p
Grand Met.	200	12	94	20	1	26	1	"
Grand Met.	220	4½	3	10	2	17	3	"
ICI	280	40	—	44	12	56	—	302p
ICI	300	28	26	34	3	46	—	"
ICI	330	13	1	18	4	34	—	"
Land Sec.	420	21	3	34	—	46	—	420p
Marks & Sp.	110	38	5	41	—	—	—	137p
Marks & Sp.	120	23	15	33	—	—	—	"
Marks & Sp.	130	16½	10	25	4	31	—	"
Marks & Sp.	140	9½	111	17	10	23	—	"
Shell	390	40	3	52	6	67	8	402p
Shell	420	21	58	42	11	50	—	"
Shell	460	8	16	20	17	—	—	"
Totals			506		172		95	
		May		**August**		**November**		
Barclays Bk.	360	63	2	73	—	77	—	418p
Barclays Bk.	420	6	4	30	—	37	—	"
Imperial Gp.	70	5½	6	10	—	10½	—	74p
Imperial Gp.	80	1	—	4	22	5½	—	"
Lasmo	550	57	1	92	6	115	8	597p
Lasmo	600	20	17	62	2	85	—	"
Lasmo	650	6	9	39	2	59	3	"
Lasmo	700	½	—	24	—	34	25	"
Lonrho	90	5	2	11½	—	14	40	93p
Lonrho	100	1	1	5½	5	9½	2	"
Lonrho	110	½	100	3	6	5½	—	"
Lonrho	120	¼	—	1½	13	—	—	"
P & O	110	27½	60	30	—	—	—	142p
P & O	120	17½	—	22	—	27½	1	"
P & O	130	7½	2	15½	9	21½	—	"
P & O	140	3½	32	11	—	15	3	"
P & O	160	½	—	5½	4	8	3	"
Racal Elec.	330	62	1	73	—	84	—	390p
Racal Elec.	360	32	17	48	—	63	—	"
Racal Elec.	390	7	8	28	56	43	40	"
RTZ	414	121	1	—	—	—	—	530p
RTZ	454	81	1	—	—	—	—	"
RTZ	460	—	—	97	2	110	—	"
RTZ	494	41	22	—	—	—	—	"
RTZ	500	—	—	65	2	80	4	"
RTZ	550	12	16	37	9	55	—	"
Totals			292		137		129	

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$475	13	9 B	—	—	—	—	$485.50
GOLD C	$500	—	—	26	30	16	50	"
GOLD C	$525	—	—	70	24	6	40	"
GOLD C	$550	—	—	11	12.50	15	30	"
GOLD P	$475	18	0.20	48	13	1	22	"
GOLD P	$500	25	16	3	30 A	—	—	"
GOLD P	$525	—	—	5	43 A	—	—	"
GOLD C	$550	—	—	6	65 A	—	—	"
		June		**Sep.**		**Dec.**		
GM C	$50	15	5⅞	—	—	—	—	$54 ½
GM C	$60	—	—	15	1⅝	—	—	"
		Jul.		**Oct.**		**Jan.**		
AKZO C	F.20	—	—	22	3.80	—	—	F.22.70
AKZO C	F.25	—	—	14	1.50	—	—	"
AMRO C	F.55	10	1.20	25	2.20	—	—	F.53.20
HEIN C	F.55	15	2.50 A	7	3.50	—	—	F.54.60
HEIN C	F.60	—	—	17	2.40	—	—	"
HOOG C	F.17.50	—	—	6	2.90	—	—	F.17.20
HOOG C	F.20	—	—	22	1.10	—	—	"
IBM C	$60	10	1⅛ B	—	—	—	—	$57
KLM C	F.80	6	48.50	—	—	—	—	F.128.50
KLM C	F.100	33	30	—	—	—	—	"
KLM C	F.110	147	21.50	—	—	—	—	"
KLM C	F.120	89	16	13	21	—	—	"
KLM C	F.130	247	10.50	25	15.20	—	—	"
KLM P	F.90	91	0.60	—	—	—	—	"
KLM P	F.100	169	1.60	21	4.70 A	—	—	"
KLM P	F.110	95	3.20	—	—	—	—	"
KLM P	F.120	93	6.80	—	—	—	—	"
KLM P	F.130	16	12	—	—	—	—	"
NATN C	F.110	—	—	10	6	—	—	F.108.20
NATN P	F.110	—	—	7	6.90	—	—	"
PHIL C	F.17.50	9	4.40	32	4.70A	—	—	F.20.90
PHIL C	F.20	1173	2.20	78	2.90	35	3.40	"
PHIL C	F.22.50	325	0.80	261	1.60	140	2.20	"
PHIL P	F.20	1005	0.60	20	0.90	55	1	"
PHIL P	F.22.50	10	1.60	—	—	—	—	"
RD C	F.80	10	16	—	—	—	—	F.96.10
RD C	F.90	44	7	28	8.50	—	—	"
RD C	F.95	43	3.90	—	—	—	—	"
RD C	F.100	275	2	36	4.30	11	6	"
RD C	F.110	50	0.70	22	1.70	—	—	"
RD P	F.90	112	2.60	22	4.50	35	6	"
RD P	F.95	49	5.50	—	—	—	—	"
RD P	F.100	10	10	—	—	—	—	"
UNIL C	F.140	16	10.80	—	—	10	10.50	F.150.20
UNIL C	F.150	26	3.50	—	—	—	—	"
UNIL P	F.150	10	7.50	—	—	—	—	"
		MAY		**AUG.**		**NOV**		
BOEI C	$30	10	2½	—	—	—	—	$32⅛
BOEI C	$35	—	—	10	1¼	—	—	"
BOEI P	$35	—	—	11	2⅞	—	—	"
BASF C	DM.130	11	0.50	—	—	—	—	DM130.80
MANN C	DM.130	22	13.80	—	—	—	—	DM145.20
MANN C	DM.140	60	3	—	—	—	—	"
SIEM C	DM.260	10	0.10	—	—	—	—	DM256.80
SLUM C	$100	30	1¼	7	7¾	—	—	$101⅛
SLUM C	$110	—	—	13	3¾	—	—	"

TOTAL VOLUME IN CONTRACTS 5676

A=Asked B=Bid C=Call P=Put

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
May 11	May 22	Aug. 6	Aug. 17
May 26	June 5	Aug. 26	Sept. 7
June 8	June 19	Sept. 10	Sept. 21

For rate indications see end of Share Information Service

Stocks to attract money for the call included W. Ribbons, First National Finance, KCA International, Turner and Newall, Phoenix Timber, Sentrust, British Printing, Rothmans, IC Gas, Town and City, Sterling Credit, Premier Consolidated, Tecalemit, Lee Cooper, RTZ, Ango American Corporation, Cakebread Robey "A" and Strata Oil. Puts were arranged in Savoy A and Erskine House, while double options were transacted in Montague L. Meyer and P. & O. Deferred.

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thur.'s closing price pence	Day's change	Stock	No. of price changes	Thur.'s closing price pence	Day's change
Collins (Wm) A	24	165	+ 7	KCA	16	194	+ 4
Fisons	20	173	+ 7	French Kier	15	78½	+ 5½
Law Land	18	96	+ 5	Shell Trans.	15	398	+ 4
P. & O. Dfd.	17	141	+ 3	Dunlop	14	80	+ 3
Royal Ins.	17	383	+13	ICI	14	304	+ 4
Unilever	17	543	+21	NCC Energy	14	135	− 3
Jhnsn. Matthey	16	269	+12	Tecalemit	14	57½	+ 6½

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thurs. closing price pence	Change on week	Stock	No. of price changes	Thurs. closing price pence	Change on week
RTZ	112	536	+ 8	Ultramar	72	455	+12
Euro. Ferries	96	136	−16	KCA Intl.	71	194	+20
GEC	83	663	+ 3	Dunlop	69	80	+ 5
ICI	79	304	− 4	BTR	66	476	+12
Shell Trans.	79	398	+14	BAT Inds.	65	345	− 5
P. & O. Dfd.	77	141	− 5	Plessey	65	287	− 3
BP	76	400	+12	Unilever	64	543	+23

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those shares in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ⊕ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (537)

BREWERIES (402)

COMMERCIAL (5,151)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (309)

INSURANCE (377)

INVESTMENT TRUSTS (517)

CINEMAS

UNIT TRUSTS (17)

MINES—Miscellaneous (321)

SOUTH AFRICAN (112)

OIL (834)

RAILWAYS (9)

SHIPPING (117)

PROPERTY (485)

UTILITIES (56)

UNLISTED SECURITIES MARKET (853)

PLANTATIONS (59)

Harrisons Malaysian Ests. (10p) 220 1 2
Hidong Est. Ord. (10p) 670 80
Highlands and Lowlands Berhad (M$0.50) 84 6
Hongkong (Selangor) Rubber (10p) 925 37½ (13/5)
Inch Kenneth Kalang Rubber (10p) 210 (12/5)
Jatel Ord. (£1) 139 40 (13/5)
Jitra Rubber Plantations (10p) 63 (13/5)
Kinta Kellas Rubber Ests. (10p) 219 21
Kuala Lumpur Kepong Berhad (M$1) 129
Kuala Selangor Rubber Co. (10p) 430

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

Standard Oil Ohio £23⅜
Steico A Cnv. £14⅛
Straits Trading 300 (13/5)
Strata Oil 1410 5¼ ½ 8 9 94 10 11½ 12½
Strata Oil Options 89
Sun Hung Kai Props. 142 5 8 50
Swan Resources 35 6 40 (8/5)
Swire Pacific A 1490 51 ½ 2 ½ 3 ½ 4 6½ HK$17.036
Swire Pacific B 27¼
Swire Props. 104½ 14 15 ½ 16½ US$2.35
Tara Explor. and Devel. 437½ (12/5)
Target Pets. 290 300
Target Pets. (A$0.15pd) 17 18½ ¼ 19
Teck Cpn. A 730 (8/5)

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Airship Inds. 70 5 (8/5)
All England Lawn Tennis Gnd. £50 Dbs. £6,250 300 (12/5)
Ann Street Brewery 295 305 (12/5)
Aston Villa F.C. (1 vote) £9½ 100 (13/5)
Ayrton Saunders 98 105 (11/5). 5pcPf. 24 (11/5). 7½pcAPf. 37 (11/5)
Bishopsgate Offshore Services 40½ (8/5)
Blindells 5½pcPf. 37½
Blyth Greene Jourdain 211 12 (13/5)
Brint Invs. 420 (13/5)

Intervsn. V. (Hldgs.) 7pcPf. 188 9
Isle of Man Assoc. Inv. 7pcPf. 30 (11/5)
Jayplant 8½ (13/5)
Jenkin and Purser 6 (12/5)
Jennings Bros. 115
Jersey (States of) 5½pcLn. 81.6 £75 6½ (13/5)
Jessel Tst. 17½ 18 (13/5)
Kenmare Oil Exploration 37 (11/5)
Kennedy Brookes 107 (13/5)
Le Riches Stores 226 (11/5)
Liverpool FC and Athletics £199¼ 200 (12/5)
Mainline Elect. 3 (12/5)
Manchester and London Inv. Tst. 16 17 (8/5)

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

American Oil Field Systems 95
Aran Energy 74½ 5 6 7 8
Atlantic Resources 200 5 7 10 12
Berkeley Exp. and Production 273 7 8 80
Candecca Resources 176 9 80 1
Eglinton Oil and Gas 155 (12/5)
Marinex Petroleum 128 30
Steaua Romana (British) 76¼ 7 ½ 8 9 9½ 80 ¼ 1. Dfd. 30 ¼ (11/5)
Sun Oil (UK) 370 90 (13/5)

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	12½	½-year	1,000	1-2

BUILDING SOCIETY RATES

	Deposit rate	Share accounts	Sub'pn shares	*Term shares
	%	%	%	%
Abbey National	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Aid to Thrift	9.20	9.45	—	—
Alliance	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs., 9.50 3 months' notice
Anglia	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Bradford and Bingley	8.25	8.50	9.75	9.25 1 month's notice deposit
Bridgwater	8.25	8.50	10.00	10.50 5 yrs., 9.60 2½ yrs.
Bristol Economic	8.25	9.50	9.75	9.25 3 months' shares. Escalator shares 9.00-10.50 (1-5 years)
Britannia	8.25	8.50	9.75	10.00 5 yrs., 9.50 3 months' notice
Burnley	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Cardiff	8.25	9.50	10.50	—
Catholic	9.00	9.50	10.50	— Share a/cs 9.75 over £5,000
Chelsea	8.25	8.50	9.75	10.50 5 yrs., 9.90 1 yr., 9.55 6 months
Cheltenham and Gloucester	8.25	8.50	9.75	—
Cheltenham and Gloucester	—	9.50	—	— Gold Account. Savings of £1,000 or more (8.50 otherwise)
Citizens Regency	—	8.75	10.00	10.75 5 yrs., 9.75 3 yrs., 9.25 1 yr.
City of London (The)	8.50	8.75	9.60	9.41 9 mth. withdraw., increment sh.
Coventry Economic	8.25	8.50	9.75	10.00 4 yrs., 9.50 3 yrs., 9.25 3 mths.
Coventry Provident	8.25	8.50	10.50	10.55 av. 5 yr., 10.00 4 yr., 9.25 3 mths.
Derbyshire	8.25	8.50	9.75	8.75 to 9.25 3 months
Ealing and Acton	8.25	9.00	—	9.65 2 years, £2,000 minimum
Gateway	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Greenwich	—	8.75	10.00	9.50 2 yrs., 9.75 3, 10.25 4, 10.75 5 yrs.
Guardian	8.25	8.75	—	10.00 3 mth., 10.50 6 mth., min. £1,000
Halifax	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Heart of England	8.25	8.50	9.75	— 3 mths. notice 9.25, 5 yrs. 10.50
Hearts of Oak and Enfield	8.25	8.75	10.25	10.00 4 yrs., 9.75 3 yrs., 9.50 2 yrs.
Hendon	8.75	9.25	—	10.25 6 months, 10.00 3 months
Huddersfield and Bradford	8.25	8.50	9.25	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs.
Lambeth	9.00	9.50	11.25	11.25 5 yrs., 11.00 6 months' notice
Leamington Spa	8.35	8.50	11.50	10.10 (1 year)
Leeds Permanent	8.25	8.50	9.75	10.50 5 yrs., Optns. fm. 8.75 (6 mths.)
Leicester	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Liverpool	8.25	8.50	9.80	10.50 5 yrs., minimum £1,000
London Grosvenor	8.25	9.00	11.00	9.50 6 months' notice
Melton Mowbray	8.35	8.60	9.75	9.35 2 yrs., 10.10 4 yrs.
Mornington	9.10	9.60	—	—
National Counties	8.50	8.80	9.80	9.50 35 days' notice. Min. dep. £500 6 months 9.90
Nationwide	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.00 1 yr.
Newcastle	8.25	8.50	9.75	10.50 4 yrs., 10.00 3 yrs., 9.50 2 yrs.
New Cross	9.00	9.25	—	9.25-10.00 on share accs., depending on min. balance over 6 mths.
Northern Rock	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Norwich	8.25	8.50	10.00	9.50 3 yrs., 9.25 2 yrs., min. £500
Peckham Mutual	9.25	9.55	—	—
Peckham Permanent	9.00	9.75	11.00	—
Portman	8.25	8.50	9.75	10.50 5 yrs., 9.55 6 months' notice
Portsmouth	8.60	8.80	10.30	10.85 (5 yrs.), 10.25 (6 months)
Property Owners	9.25	9.75	11.20	11.25 4 yrs., 11.00 6 mths., 10.50 3 mth.
Provincial	8.25	8.50	9.75	10.00 3 yrs.
Skipton	8.25	8.50	9.75	10.50 5 yrs., 9.60 wdl. 1 mth. loss int.
Sussex County	8.50	8.75	10.55	11.00-9.50 (6-2 yrs.). 9.25 2 mths. not.
Sussex Mutual	8.50	9.10	10.50	9.25-10.50 all with special options
Town and Country	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Walthamstow	8.35	8.75	9.75	9.75 6 months' notice, min. £1,000
Wessex	8.50	9.25	—	10.25 min. 3 yrs., 6 mth. notice of wdl.
Woolwich	8.25	8.50	9.75	10.50 5 yrs., 8.75 6 mths.

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

The Treasury bill rate showed little change at yesterday's tender, rising 0.0342 per cent to 11.3370 per cent and the minimum accepted bid fell to £97.165 from £97.18. Bids at that level were met as to about one per cent and above in full. The £100m of bills on offer attracted bids of £413.03m against £423.68m the previous week and all bills offered were allotted. Next week a further £100m of bills will be on offer, replacing a similar amount of maturities.

Day to day credit was in short supply in the London money market and the authorities gave assistance on a moderate scale. This comprised small purchases of Treasury bills, local authority bills and eligible bank bills, all direct from discount houses. The market was faced with the final call on Exchequer 12½ per cent 1990 and a moderate increase in the note circulation. There was also a small amount of bills maturing in official hands and banks brought forward balances a moderate way below target. On the other hand there was an exceptionally large amount of Treasury bills maturing outside official hands and a large excess of Government disbursements over revenue transfers to the Exchequer.

In the interbank market weekend money ranged between 9 per cent and 14 per cent in volatile trading, having opened at 11¼-11½ per cent. Closing balances were taken at 10-12 per cent.

EXCHANGES AND BULLION

Trading was nervous in currency markets yesterday ahead of the weekend. Uncertainty over possible support measures to relieve pressure on the D-mark and French franc and the announcement after the close in London of U.S. money supply figures, encouraged most operators to square positions ahead of the weekend. Euro-dollar rates showed a softer tendency and dealers noted comments by Mr. Donald Regan, U.S. Treasury Secretary, suggesting that U.S. interest rates will come down in the next few months. The French franc remained weak and was fixed at its floor level against the D-mark. In late trading it was quoted below this despite speculation that the French authorities may introduce exchange controls.

Sterling recovered slightly against the dollar and European currencies.

Against the dollar is opened at $2.0770-2.0780 and touched a best level of $2.0830 before closing at $2.0730-2.0740, a rise of 60 points. In terms of the D-mark it closed at DM 4.79 from DM 4.18 and FFr 11.54½ from FFr 11.51¼ against the French franc.

The dollar rose to FFr 5.5750 from FFr 5.5700 and DM 2.3115 against DM 2.3105. It fell against the Swiss franc however to 2.0700 from SwFr 2.0820. Its trade weighted index slipped to 106.5 from 106.6. Sterling's index on Bank of England figures rose to 98.7 from 98.4, having stood at 98.5 at noon

THE POUND SPOT AND FORWARD

May 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0700-2.0830	2.0730-2.0740	1.45-1.55c dis	−8.68	3.85-3.95dis	−7.52
Canada	2.4890-2.4990	2.4915-2.4925	1.40-1.50c dis	−6.98	4.25-4.40dis	−6.94
Nethlnd.	5.29-5.33	5.31½-5.32½	⅛c pm-⅛ dis	−0.28	⅛ pm-⅛ dis	0.09
Belgium	77.60-78.05	77.80-77.90	50-60c dis	−8.48	140-150 dis	−7.45
Denmark	14.98-15.09	15.07-15.09	3¾-5 ore dis	−3.48	9¾-11½ dis	−2.82
Ireland	1.3020-1.3130	1.3115-1.3125	0.22-0.43p dis	−2.97	0.87-1.25dis	−3.23
W. Ger.	4.76-4.80	4.78½-4.79½	¼pf pm-⅛ dis	−0.31	⅛-1⅛ dis	−0.73
Portugal	125.80-126.80	126.00-126.20	95-165c dis	−12.37	200-375 dis	−9.12
Spain	189.70-190.80	190.20-190.40	130-160c dis	−9.14	385-430 dis	−8.56
Italy	2,372-2,387	2,384½-2,386½	20½-22½ lire dis	−10.81	58¾-61¼dis	−10.02
Norway	11.76-11.82	11.76-11.78	⅛ore pm-1⅛ dis	−0.45	⅛ pm-2 dis	−0.28
France	11.47-11.56	11.54-11.55	6-7c dis	−6.76	18⅛-20¼ dis	−6.76
Sweden	10.17-10.22	10.17-10.19	4-4⅞ore dis	−5.23	10⅛-11⅛ dis	−4.22
Japan	460-465	462-463	2.25-1.80y pm	5.25	5.80-5.25 pm	4.78
Austria	33.65-33.85	33.77-33.82	2gro pm-3 dis	−0.18	1 pm-9 dis	−0.47
Switz.	4.27½-4.30½	4.28½-4.29½	1c pm-par	1.40	2⅛-1⅛ pm	1.51

Belgian rate is for convertible francs. Financial franc 79.80-79.90. Six-month forward dollar 6.40-6.50c dis, 12-month 9.40-9.60c dis.

GOLD

	May 15		May 14	
Gold Bullion (fine ounce)				
Close	$483-486	(£232-234¼)	$476-479	(£230½-232)
Opening	$482-485	(£232-233½)	$477-480	(£231-232¾)
Morning fixing	$482.50	(£232.228)	$480.75	(£232.336)
Afternoon fixing	$485	(£233.061)	$476.50	(£230.082)
Gold Coins				
Krugerrand	$498-499	(£240½-241)	$491-492½	(£237¾-238½)
1/2 Krugerrand	$256-257	(£123½-124)	$253¾-254¾	(£123-123½)
1/4 Krugerrand	$131-132	(£63¼-63¾)	$129¼-130¼	(£62½-63)
1/10 Krugerrand	$54-55	(£26-26½)	$53¼-53¾	(£25½-26)
Mapleleaf	$492-493	(£237½-238)	$487½-488½	(£236-236½)
New Sovereigns	$122-123	(£59-59½)	$119¾-120½	(£58-58½)
King Sovereigns	$131-133	(£63¼-64¼)	$130-132	(£63-64)
Victoria Sovs.	$131-133	(£63¼-64¼)	$130-132	(£63-64)
French 20s	$196-200	(£94¾-96½)	$197-200	(£95½-97)
50 pesos Mexico	$600-604	(£289¾-291¾)	$594-598	(£287¾-289¾)
100 Cor. Austria	$468-472	(£226-228)	$461-465	(£223-225¼)
$20 Eagles	$583-587	(£281½-283½)	$581-586	(£281½-284)

EXCHANGE CROSS RATES

May 15	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.074	4.790	462.5	11.545	4.290	5.320	2385.	2.492	77.85
U.S. Dollar	0.482	1.	2.310	223.1	5.568	2.069	2.566	1150.	1.202	37.55
Deutschemark	0.209	0.433	1.	96.56	2.410	0.896	1.111	498.0	0.520	16.25
Japanese Yen 1,000	2.162	4.483	10.36	1000.	24.96	9.276	11.50	5151.	5.388	168.3
French Franc 10	0.866	1.796	4.149	400.6	10.	3.716	4.608	2066.	2.159	67.43
Swiss Franc	0.233	0.483	1.117	107.8	2.691	1.	1.240	556.1	0.581	18.15
Dutch Guilder	0.188	0.390	0.900	86.94	2.170	0.806	1.	448.4	0.468	14.63
Italian Lira 1,000	0.419	0.869	2.008	193.9	4.840	1.798	2.230	1000.	1.045	32.63
Canadian Dollar	0.401	0.832	1.922	185.6	4.633	1.722	2.135	957.3	1.	31.24
Belgian Franc 100	1.285	2.663	6.153	594.1	14.83	5.511	6.834	3064.	3.201	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MAY 15)

3 months U.S. dollars		6 months U.S. dollars	
bid 19 3/4	offer 19 7/8	bid 18 15/16	offer 19 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

May 15 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	9-14	11½-11¾	—	—	11-12	9-11½	—	—	—
2 days notice	—	—	11⅝-12	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11⅛-11¾	11¾-12	—	11⅞	12	11⅛-11¼	—	—	—
One month	12-11⅞	11⅞-12⅛	11⅞-12	13⅛-12¾	12¼	12½-12¾	11½	11⅞-11⅞	11⅞	12⅞
Two months	12⅛-12	12⅛-12¼	—	13-12¾	12⅜	12½	11⅝	11⅝-11⅞	11⅞	12⅜
Three months	12⅞-12⅛	12¼-12⅜	12¼-12⅞	13-12⅝	12⅞	12⅝-12¾	11⅝-11⅞	11⅞-11⅞	11⅞	12⅞
Six months	12⅝-12¼	12⅝-12½	12¼-12⅜	12⅞-12½	12⅝	12⅝	—	—	11⅜	12⅛
Nine months	12⅞-12⅞	12⅞-12⅝	—	13⅛-12¾	12⅞	12¾	—	—	—	—
One year	12½-12⅝	12⅞-12⅞	12½-12⅝	13-12⅝	12⅞	12⅞	—	—	—	—
Two years	—	—	13½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13¾ per cent; four years 13⅞ per cent; five years 14 per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11½ per cent; four-month trade bills 12⅜ per cent.

Approximate selling rate for one-month Treasury bills 11¾ per cent; two-months 11⁹⁄₃₂-11²⁹⁄₃₂ per cent; three-months 11½-11²⁷⁄₃₂ per cent. Approximate selling rate for one-month bank bills 11²⁹⁄₃₂-11¾ per cent; two-months 11⅞-11²⁹⁄₃₂ per cent; three-months 11½-11²⁷⁄₃₂ per cent; one-month trade bills 12⅝ per cent; two-months 12⅜ per cent and three-months 12¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from May 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.3028 per cent.

CURRENCY MOVEMENTS

May 15	Bank of England Index	Morgan Guaranty Changes%
Sterling	98.7	−27.2
U.S. dollar	106.5	+0.7
Canadian dollar	87.1	−17.6
Austrian schilling	113.4	+22.5
Belgian franc	106.8	+10.1
Danish kroner	87.0	−11.4
Deutsche mark	118.2	+38.7
Swiss franc	133.4	+76.3
Guilder	109.6	+14.5
French franc	82.5	−13.0
Lira	58.4	−55.1
Yen	142.0	+36.6

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

EURO-CURRENCY INTEREST RATES (Market closing Rates)

May 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	11⅜-11⅝	18⅜-18⅝	18-19	10⅛-10¼	2½-3	10⅛-10¾	15½-16½	18-20	14-16	6-6½
7 days' notice	11⅜-11⅝	18½-18¾	18-19	10⅝-10⅝	4-4½	11⅛-11⅜	16¾-17¾	19½-21½	16-18	6¼-6½
Month	11⅞-12⅛	20⅛-20⅜	19-19⅜	11¼-11½	10-10⅛	12¼-12⅜	18-19	21⅝-22⅝	19-20	6⅞-6⅞
Three months	12¼-12⅜	19¼-19¾	19-19⅜	11¾-12	10¼-10⅜	12⅞-12⅞	18-19	21¾-22¼	18½-19½	7⅛-7⅜
Six months	12⅞-12⅞	18⅝-18⅞	18⅛-18⅞	11⅞-12⅛	10¼-10⅜	12⅝-12¾	18-19	21-21½	17¾-18¾	7⅞-7⅞
One Year	12⅞-12⅞	17¼-17¾	17½-17⅞	12-12¼	9⅞-9⅞	12⅞-12⅞	16½-17½	20½-21	16½-17½	8⅛-8⅜

SDR linked deposits: one month 15⅞-16⅛ per cent; three-months 15¾-16⅛ per cent; six-months 15⅝-15⅞ per cent; one-year 14²⁹⁄₃₂-15⁵⁄₁₆ per cent.
ECU linked deposits: one-month 14²⁷⁄₃₂-15⅜ per cent; three-months 14⅞-15⅛ per cent; six-months 14²⁹⁄₃₂-15⅜ per cent; one-year 14⅝-14⅞ per cent.
Asian $ (closing rates in Singapore): one-month 20⅛-20⅜ per cent; three-months 19¾-19⅞ per cent; six-months 19⁵⁄₁₆-19⁹⁄₁₆ per cent; one-year 18-18⅜ per cent. Long-term Eurodollar two-years 16⅞-17 per cent; three-years 16⅜-16⅞ per cent; four-years 16⅜-16⅞ per cent; five-years 16⅜-16⅞ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.
The following nominal rates were quoted for London dollar certificates of deposit: one-month 19.10-19.20 per cent; three-months 19.25-19.35 per cent; six-months 19.40-19.50 per cent; one-year 17.30-17.40 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.3024	+1.24	+0.97	±1.5361
Danish Krone	7.91917	7.96165	+0.54	+0.27	±1.6413
German D-Mark	2.54502	2.53350	−0.45	−0.72	±1.1386
French Franc	5.99526	6.10356	+1.81	+1.54	±1.3638
Dutch Guilder	2.81318	2.81856	+0.19	−0.08	±1.5159
Irish Punt	0.685145	0.693536	+1.22	+0.95	±1.6688
Italian Lira	1262.92	1260.41	−0.20	−0.20	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

May 15	£	$		£ Note Rates
Argentina Peso	5677-5697	3214-3224	Austria	33.55-33.90
Australia Dollar	1.8200-1.8240	0.8790-0.8795	Belgium	79.45-80.15
Brazil Cruzeiro	171.38-172.38	82.53-82.94	Denmark	14.90-15.05
Finland Markka	8.97-8.99	4.3240-4.3250	France	11.43-11.51
Greek Drachma	114.577-117.465	55.65-55.85	Germany	4.75¾-4.78¾
Hong Kong Dollar	11.33¼-11.34¼	5.4520-5.4550	Italy	2330-2380
Iran Rial	163.40*	78.10*	Japan	462-468
Kuwait Dinar (KD)	0.572-0.578	0.2774-0.2775	Netherlands	5.28¼-5.32¼
Luxembourg Frc.	77.80-77.90	37.55-37.57	Norway	11.73-11.83
Malaysia Dollar	4.8425-4.8526	2.3315-2.3335	Portugal	123-127
New Zealand Dlr	2.3535-2.3565	1.1365-1.1375	Spain	185¼-195¼
Saudi Arab. Riyal	6.96-7.02	3.3698-3.3728	Sweden	10.17-10.27
Singapore Dollar	4.4625-4.4725	2.1490-2.1510	Switzerland	4.27-4.31
Sth African Rand	1.7395-1.7405	0.8390-0.8395	United States	2.07¼-2.08¼
U.A.E. Dirham	7.59-7.65	3.6715-3.6740	Yugoslavia	72¼-80

Rate given for Argentina is free rate. * Selling rate.

U.K. CONVERTIBLE STOCKS 16/5/81

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates§	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.▽	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.71	317.00	333.3	80-97	3.8	0.9	−0.9	−5 to 0	18.5	86.5	21.3	+22.2
Hanson Trust 6½pc Cv. 88-93	3.02	136.00	57.1	76-82	4.8	1.5	−0.8	−7 to −0	7.2	3.1	−3.0	−2.2
Slough Estates 10pc Cv. 87-90	5.31	269.00	187.5	78-85	3.8	—	−0.4	−5 to 1	29.0	32.6	1.3	+1.7
Slough Estates 8pc Cv. 91-94	24.88	126.00	78.0	80-91	6.5	5.0	12.2	7 to 19	28.6	48.5	17.7	+5.6

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. § Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Recent depression over Gilt-edged lifts but equities end disappointing Account with index fall of 36.9

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
May 1	May 14	May 15	May 26
May 18	May 28	May 29	June 8
June 1	June 11	June 12	June 22

* "New-time" dealings may take place from 9.30 am two business days earlier.

The recent depression over Government securities lifted yesterday and the sector had its best day for some weeks. The turnround here featured a disappointing end of a trading Account which began full of promise with leading equities threatening to pierce the FT 30-share index 600 level for the first time in its history.

Revived investment support for Gilt-edged was apparently helped by overnight signs of an easing of the upward pressures on U.S. interest rates. A prediction from the U.S. Treasury Secretary that rates would fall over the next couple of months provided fresh impetus.

Longer-dated stocks were particularly responsive in a market probably oversold and ready for a technical recovery. The absence of any announcement regarding new Government funding underpinned the firmness and medium/longs closed with gains extending to 3/4. The shorts were less responsive and managed only small improvements with the tap Treasury 11 1/4 per cent 1985 an inhibiting influence; the £30-paid stock ended only narrowly better at 27 7/16.

An uneventful day in equities opened with prices higher as dealers assumed that demand would develop in order to cover Account short positions. Little buying materialised, however, and values drifted lower in slow trading before edging firmer again after the 3.30 pm official close when business is allowed without penalty for the trading Account beginning on Monday. The FT 30-share index recorded the day's performance with a 10.00 am rise of 4.7 reduced to only 0.9 at 2.00 pm before a close of 2.9 up on balance at 561.0; on the Account, the index showed a fall of 36.9 compared with the 47.5 rise on the previous Account.

CBS up again

First-time dealings in Newcastle Water 7 3/4 per cent Preference 1986 were sparse and the stock ended at £9, or a discount of a point, in £10-paid form.

Traded options attracted a total of 1,337 contracts for a week's daily average of 1,212.

Business Computers, which staged a successful debut in the Unlisted Securities Market on Thursday, attracted further buying and advanced 19 to 133p compared with the placing price of 85p.

Yet another bid development "down-under" provided the main focal point in the banking sector yesterday. Commercial Bank of Sydney, in receipt of a bid from National Bank of Australasia, jumped 45 more for a two-day advance of 80 to 405p on the announcement of merger discussions with Australia and New Zealand Bank. NBA fell 17 to 196p, while ANZ, which has already bid for the Commercial Bank of Australia, cheapened 10 to 233p. CBA, up 85 the previous day on the agreed bid from Bank of New South Wales, lost 45 to 360p, but still closed 75 higher on the week.

The BIFU's acceptance of the banks' 10 per cent pay offer encouraged a firmer trend in the major clearers; Barclays added 5 to 417p and Midland 2 to 322p. Among Hire Purchases, Cattles improved 2 1/2 to 33p following the chairman's annual statement, while Sterling Credit hardened a penny to 13 1/2p and the 8 per cent Convertible 11 to 213p.

Currently engaged in negotiations for the possible takeover of Allied Hambro, Hambro Life stood out in a generally firm Insurance sector, rising 20 in a thin market to 355p. Legal and General and Prudential hardened 5 apiece to the common level of 222p. Against the trend, Royals softened 3 to 380p, after 377p, following comment on the first-quarter results.

Demand ahead of next Tuesday's preliminary results left Whitbread "A" 8 firmer at 163p in the Brewery sector.

Secondary issues again provided the focal points in Buildings. Tunnel "B" advanced 10 to 414p after the announcement that T. W. Ward's bid for the company has been extended until next Thursday. Hoveringham improved 4 to 86p and the Restricted Voting 2 to 81p in response to better-than-expected preliminary results. M. J. Gleeson (Contractors) hardened a penny to 92p on the increased half-yearly profits, but William Leech shed 4 for a two-day fall of 11 to 95p following poor interim results. A Press mention stimulated interest in Thomas Warrington, which added 4 to 73p, while renewed support left John Mowlem 7 dearer at 178p and Barratt Developments 4 up at 220p.

A combination of vague bid rumours and a broker's bullish circular prompted fresh interest in Laporte which gained 9 to 127p.

Polly Peck better

Recently sold on an adverse Press mention, Polly Peck rallied 7 to 262p, while Cornell Dresses picked up 6 in sympathy to 133p. Elsewhere in Stores, Currys put on 4 to 420p following the chairman's encouraging statement but Lee Cooper cheapened 3 more to 167p on further consideration of the poor results. Of the leaders, Marks and Spencer hardened the turn to 138p; the preliminary figures are due next Wednesday.

Leading Electricals ended the session with small gains after a fairly quiet trade, gains of 3 being recorded in Plessey, 290p, and Racal, 392p. Elsewhere, the reduced dividend and annual profits prompted weakness in Berec which touched 71p before settling at 75p for a fall of 5, but Quest Automation responded to the increased interim dividend and profits with a rise of 8 to 190p.

The Engineering leaders fluctuated narrowly before closing with small mixed movements on the day. Elsewhere, favourable Press mention stimulated buying interest in Adwest, up 9 at 195p, and Anderson Strathclyde, 3 dearer at 93p. Babcock revived with a rise of 6 to 128p, while gains of 5 were recorded in Hall Engineering, 195p, and Matthew Hall, 383p. Hunslet also came to life with a rise of 10 to 156p.

British Sugar became a good market and rose 11 to 334p: the shares go ex dividend on Monday and the formal defence document to S. and W. Berisford's bid is expected shortly. Elsewhere in the Food sector, Northern moved up late and closed 5 to the good at 169p. Nurdin and Peacock, however, shed 10 to 250p on second thoughts about the preliminary results.

Standing at 198p awaiting the interim results, Grand Metropolitan touched 202p on the announcement before closing a net 6 up at 199p. Trusthouse Forte hardened 3 to 151p. Among other Hotels and Caterers, Epicure added 2 1/2 for a two-day gain of 6 to 33 1/2p following an investment recommendation.

Polymark below best

Already around 20 higher on speculative buying fuelled by bid rumours, Polymark International were marked up further to 160p on confirmation of a bid approach before closing a net 19 better on balance at 133p. Elsewhere in miscellaneous indsutrials, John Billam attracted speculative support and rose 16 to 121p, after 126p, while Bestobell jumped 20 to 455p on the chairman's revelation at the annual meeting that the group is selling the rest of its consumer businesses. Beatson Clark added 11 to 160p in a thin market, while Johnson Matthey firmed 8 more to 277p with stock still in short supply. Associated Communications A gained 7 to 54p in belated response to Press comment, while similar improvements were seen in Applied Computers, 123p, China Light and Power, 110p, Hanson Trust, 247p, and Smiths Industries, 370p. E. Fogarty put on 6 to 90p. Letraset, on the other hand, lost 4 for a decline on the week of 16 at 79p with sentiment still soured by mounting losses at its Stanley Gibbons subsidiary. Gains in the leaders ranged to 8 with Beecham, 194p, and Metal Box, 204p, both closing that much higher.

Land Securities edged up 4 to 422p in front of Monday's preliminary results. Elsewhere in Properties, Regional A firmed 6 to 166p and Marler Estates 4 to 90p. Laganvale attracted a useful two-way business before closing a penny cheaper at 36p.

A quietly firm trend in Oils continued into the after hours' dealings. BP closed 4 dearer at 404p and Shell 6 higher at 404p. Among secondary issues, Sovereign were relatively active and pushed ahead to close 23 higher at 360p, while a reasonable trade developed in KCA, 5 dearer at 199p, after 191p. Berkeley, 283p, and Marinex, 133p rose 6 apiece. NCC were temporarily suspended at 135p pending an announcement.

Overseas Traders were notable only for a fresh decline of 9, to 145p, in Boustead following a "sell" recommendation.

Golds firmer

Movements in Trusts were usually small and irregular, but Grescham House responded to demand with a rise of 10 to 257p, while Press mention prompted a gain of 6 to 76p in Le Valloner. Among Financials, Mercantile House, still reflecting the R. J. Rouse acquisition, rose 20 more to 790p for a gain of 132p on the week.

Among Textiles, J. Crowther fell 2 1/4 to 24 1/4p on the bigger annual loss, but, helped by the increased final dividend which outweighed lower annual profits, GaskellBroadloom firmed 3 1/2 to 63 1/2p.

Buying for the dividend prompted firmness in Bats which rose 14 to 359p.

Mining markets ended the week on a firm note, sustained by the $7 improvement in the bullion price to $484.50 an ounce, news of the proposed merger of Nchanga and Roan Consolidated and a strong rally in Rio Tinto-Zinc.

South African Golds held steady throughout the morning but moved ahead in the afternoon in response to persistent buying interest from the Continent with Paris said to be a sizeable buyer.

The Gold Mines index rose 1.5 to 369.5—a gain of 14.4 over the week. Most of the overseas interest was directed towards the heavyweight issues where Western Deep put on £3/4 to £23 3/4.

Financials were featured by Rio Tinto-Zinc which fell to 525p in early trading on profit-taking before surging ahead in after hours' dealings to close a net 4 firmer at 540p. Gold Fields, a strong market in after-hours' trading on Thursday, added 5 more to 500p.

In Coppers, Roan Consolidated were suspended around 120p ahead of news of the proposed merger with Nchanga Consolidated; the resumption of dealings in the afternoon saw the former move ahead to close 10 up at 130p. ZCI, which controls approximately 40 per cent of Nchanga and approximately 16 per cent of Roan Consolidated, were a penny harder at 29p.

Among other Central Africans, Wankie Colliery rallied 3 to 42p but showed a fall of 6 on the week after the Zimbabwe Government's refusal to allow price increases for the mine's coal and coke.

FINANCIAL TIMES STOCK INDICES

	May 15	May 14	May 13	May 12	May 11	May 8	A year ago
Government Secs.	66.86	65.53	66.42	66.39	67.05	67.03	67.76
Fixed Interest	69.14	69.05	69.13	69.19	69.58	69.47	68.10
Industrial Ord.	561.0	558.1	551.3	556.0	566.9	569.3	435.7
Gold Mines	369.5	368.0	372.2	363.9	367.8	355.1	304.6
Ord. Div. Yield	5.87	5.90	5.95	5.92	5.82	5.79	8.12
Earnings, Yld. %(full)	11.50	11.57	11.73	11.65	11.45	11.43	19.81
P/E Ratio (net) (*)	10.91	10.85	10.68	10.75	10.94	10.95	6.13
Total bargains	20,086	20,527	21,065	20,956	21,094	18,383	17,126
Equity turnover £m.	—	125.45	127.28	116.74	114.29	129.54	81.66
Equity bargains	—	15,624	15,703	14,856	15,785	14,976	11,213

10 am 562.8. 11 am 560.8. Noon 559.8. 1 pm 559.7.
2 pm 559.0. 3 pm 559.3.
Latest Index 01-246 8026.
*Nil=9.99.
*Nil=10.04.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (28/3)	66.39 (12/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	69.05 (14/5)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (16/1)	281.4 (28/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	May 14	May 13
—Daily		
Gilt Edged Bargains	146.9	174.4
Equities Bargains	101.2	101.7
Value	253.6	257.3
5-day Avrge.		
Gilt Edged Bargains	174.5	183.0
Equities Bargains	99.7	99.6
Value	248.0	250.3

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (88)

BRITISH FUNDS (2)
AMERICANS (3)
CANADIANS (5)
BANKS (2)
BUILDINGS (2)
CHEMICALS (2)
DRAPERY & STORES (2)
ELECTRICALS (6)
ENGINEERING (7)
FOODS (1)
HOTELS (1)
INDUSTRIALS (17)
LEISURE (2)
NEWSPAPERS (2)
PAPER (4)
PROPERTY (1)
SHIPPING (1)
SOUTH AFRICANS (1)
TEXTILES (1)
TRUSTS (14)
OIL & GAS (1)
OVERSEAS TRADERS (1)
RUBBERS (1)
MINES (1)

NEW LOWS (14)

CANADIANS (1)
Bk. of Nova Scotia
BANKS (1)
Cie. Bancaire
ELECTRICALS (1)
Newman Inds.
INDUSTRIALS (2)
Letraset Williams (J.)
LEISURE (2)
HTV N-V Pan Atlas
PAPER (1)
Wyatt (Woodrow)
TRUSTS (3)
London Merchant Yule Catto
Do. Defd.
OIL & GAS (2)
Ceres Res. Shell 7pc Pref
MINES (1)
Whim Creek

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	88	2	6	217	122	142
Corpns. Dom. and Foreign Bonds	7	2	58	31	45	259
Industrials	220	210	937	1,032	1,693	4,113
Financial and Props.	143	54	299	470	693	1,317
Oils	31	20	34	133	142	150
Plantations	3	2	18	24	20	71
Mines	42	28	98	244	199	387
Others	52	47	82	298	216	372
Totals	586	363	1,532	2,450	3,130	6,811

ACTIVE STOCKS YESTERDAY—

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BAT Inds.	359	+14	KCA	199	+5
Berec	75	−5	Laporte	127	+9
Comm. Bnk. Aust.	360	−45	Polymark	133	+19
Comm. Bnk. Sydney	405	+45	RTZ	540	+4
Grand Met.	199	+6	Roan Cons.	130	+10
Hambro Life	355	+20	Tunnel B	414	+10

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section

		Fri., May 15, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs. May 14 Index No.	Wed. May 13 Index No.	Tues. May 12 Index No.	Mon. May 11 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (214)	347.50	+0.7	11.02	4.57	11.20	345.25	342.58	344.03	349.61	237.32	364.69 (24/4)	272.28 (15/1)	364.69 (24/4/81)	50.71 (13/12/74)
2	Building Materials (25)	309.17	+0.3	14.48	5.74	8.28	308.16	309.07	310.60	316.84	232.25	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	574.93	+0.5	15.84	4.90	7.46	572.06	570.45	572.51	583.25	351.79	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (28)	1062.48	+0.4	8.22	2.50	15.12	1058.62	1045.17	1045.14	1056.32	625.81	1127.15 (22/4)	888.13 (15/1)	1127.15 (22/4/81)	84.71 (25/6/62)
5	Engineering Contractors (11)	497.22	+1.1	13.25	5.32	9.17	491.63	491.26	493.70	500.99	273.77	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (70)	215.80	+0.9	13.08	5.67	9.59	213.97	212.61	214.57	219.06	159.37	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)	173.40	+1.2	9.09	7.05	14.34	171.36	168.44	169.14	175.21	162.04	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	108.31	+1.1	7.23	7.07	23.15	107.08	105.53	106.92	109.79	104.35	112.76 (1/5)	84.67 (23/1)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	372.04	+1.2	10.79	5.54	11.12	367.60	365.61	367.98	370.50	0.00	394.56 (24/4)	277.55 (15/1)	394.56 (24/4/81)	277.55 (15/1/81)
21	CONSUMER GROUP (195)	283.12	+0.9	12.85	5.63	9.51	280.71	278.34	281.89	286.90	216.18	294.75 (30/4)	227.50 (14/1)	294.75 (30/4/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	305.50	+1.7	15.18	6.05	7.82	300.40	298.55	303.50	308.53	277.36	322.09 (1/5)	244.42 (13/1)	322.09 (1/5/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	256.68	+0.3	14.99	6.25	8.04	256.02	252.49	253.55	259.32	190.17	269.21 (1/5)	204.17 (14/1)	269.21 (1/5/81)	59.67 (11/12/74)
26	Food Retailing (14)	523.48	—	9.49	3.36	12.44	523.42	519.62	521.93	535.09	304.52	556.21 (1/5)	440.89 (11/3)	556.21 (1/5/81)	54.25 (11/12/74)
27	Health and Household Products (7)	307.82	+2.6	8.78	4.66	13.55	300.13	297.01	300.55	303.20	183.10	315.47 (30/4)	245.38 (14/1)	315.47 (30/4/81)	175.38 (28/5/80)
29	Leisure (22)	426.45	+0.6	11.89	5.27	10.00	423.95	423.57	424.36	431.15	289.97	448.77 (1/5)	327.38 (16/1)	448.77 (1/5/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	512.04	+0.6	16.43	5.51	7.98	508.93	517.45	513.21	526.15	426.44	526.15 (11/5)	419.04 (15/1)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (14)	148.89	—	17.93	7.74	6.55	148.90	147.52	148.69	151.77	128.50	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (44)	284.43	+0.2	10.12	4.50	13.11	283.98	280.16	285.52	290.92	212.94	294.06 (30/4)	238.15 (15/1)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (22)	159.24	+0.1	12.98	7.89	10.45	159.01	159.00	163.86	165.37	127.41	172.84 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	262.91	+3.0	20.04	9.44	5.82	255.16	255.53	260.56	264.05	202.65	265.71 (30/4)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (16)	302.78	−0.2	10.44	6.37	13.04	303.32	302.29	304.36	305.92	0.00	311.40 (1/5)	231.28 (4/2)	311.40 (1/5/81)	231.28 (4/2/81)
41	OTHER GROUPS (79)	235.68	+0.1	13.08	6.37	9.36	235.32	233.37	234.90	239.90	204.57	249.19 (30/4)	203.40 (13/3)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (15)	298.65	−0.1	10.82	6.91	11.69	299.00	294.87	297.32	303.29	308.31	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (6)	116.49	−0.7	15.82	7.19	7.45	117.28	115.88	116.36	119.76	109.31	129.79 (22/4)	93.19 (14/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	583.07	+0.3	15.60	6.21	7.64	581.16	579.53	583.58	598.53	510.81	644.76 (24/4)	518.82 (15/1)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (45)	299.19	+0.6	14.09	5.61	8.63	297.38	296.49	297.98	303.66	248.38	308.77 (1/5)	249.71 (19/1)	308.77 (1/5/81)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (488)	298.74	+0.7	12.20	5.33	10.05	296.69	294.27	296.86	302.09	225.71	312.53 (30/4)	241.24 (15/1)	312.53 (30/4/81)	59.01 (13/12/74)
51	Oils (12)	846.04	+1.2	21.07	6.66	5.26	835.93	825.24	819.95	825.90	751.67	923.71 (2/1)	755.27 (7/4)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	342.34	+0.8	13.86	5.58	8.59	339.66	336.60	338.61	343.94	267.30	352.08 (1/5)	290.43 (14/1)	352.08 (1/5/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	254.73	+0.7	—	5.58	—	253.03	251.22	252.90	256.06	199.54	264.63 (24/4)	227.09 (19/1)	264.63 (24/4/81)	55.88 (13/12/74)
62	Banks (6)	255.27	+0.4	36.24	7.11	3.21	254.34	252.42	253.58	257.10	211.06	267.33 (24/4)	220.84 (11/3)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	289.89	—	—	7.78	—	289.89	290.70	290.70	295.66	246.75	314.03 (20/3)	289.89 (14/5)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (4)	264.08	+0.1	8.52	4.70	16.23	263.93	262.79	264.16	263.25	196.81	274.53 (25/3)	194.82 (8/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	253.70	+2.4	—	5.90	—	247.71	246.83	249.97	253.36	179.49	274.72 (2/4)	222.74 (7/1)	274.72 (2/4/81)	44.88 (2/1/75)
66	Insurance (Composite) (9)	162.75	+0.3	—	7.55	—	162.31	159.74	160.25	161.42	126.99	172.74 (9/4)	142.06 (19/1)	183.32 (18/9/80)	43.96 (13/12/74)
67	Insurance Brokers (8)	381.76	+1.1	11.52	6.04	11.94	377.56	371.24	373.19	378.77	298.96	387.57 (1/5)	294.21 (20/1)	387.57 (1/5/81)	65.86 (16/12/74)
68	Merchant Banks (13)	155.58	+0.7	—	5.14	—	154.47	153.98	155.77	157.80	105.81	161.27 (27/4)	143.07 (20/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (48)	490.78	+0.5	3.19	2.64	43.30	488.55	487.36	491.90	500.49	397.43	517.77 (2/4)	435.73 (16/1)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (10)	171.78	+0.8	18.40	6.02	6.60	170.50	169.91	170.02	170.19	129.11	180.91 (2/3)	165.30 (19/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	306.06	+0.5	—	5.08	—	304.67	304.10	304.54	309.35	220.72	318.10 (24/4)	271.01 (23/1)	318.10 (24/4/81)	71.63 (13/12/74)
81	Mining Finance (3)	261.72	+0.7	13.10	5.13	8.94	259.95	254.98	254.22	258.79	185.95	261.78 (30/4)	200.76 (6/2)	277.15 (30/10/80)	66.31 (30/9/74)
91	Overseas Traders (20)	482.63	+0.8	11.12	6.04	11.09	478.59	477.73	474.23	474.47	381.41	483.97 (27/4)	420.28 (14/1)	483.97 (27/4/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	323.97	+0.7	—	5.55	—	321.57	318.88	320.56	325.33	251.19	332.77 (1/5)	278.20 (14/1)	332.77 (1/5/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri. May 15	Day's change %	Thurs. May 14	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	107.59	+0.24	107.33	—	4.24
2	5-15 years	107.90	+0.57	107.29	—	4.11
3	Over 15 years	110.47	+0.57	109.85	—	4.95
4	Irredeemables	119.98	+0.70	119.14	—	6.23
5	All stocks	108.32	+0.47	107.82	—	4.40
6	Debentures & Loans	85.73	−0.02	85.75	—	3.76
7	Preference	66.46	−0.59	66.85	—	2.88

	AVERAGE GROSS REDEMPTION YIELDS		Fri. May 15	Thurs. May 14	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low	5 years	12.05	12.12	12.28	12.13 (6/5)	11.20 (20/3)
2	Coupons	15 years	12.71	12.79	12.22	12.83 (13/5)	11.86 (20/3)
3		25 years	12.85	12.92	12.22	12.95 (13/5)	11.88 (6/1)
4	Medium	5 years	13.91	14.01	14.08	14.01 (14/5)	12.91 (20/3)
5	Coupons	15 years	14.41	14.49	13.88	14.52 (13/5)	13.32 (20/3)
6		25 years	14.03	14.10	13.69	14.11 (12/5)	13.03 (20/3)
7	High	5 years	13.94	13.96	14.15	14.00 (6/5)	12.93 (20/3)
8	Coupons	15 years	14.61	14.67	14.22	14.69 (12/5)	13.54 (20/3)
9		25 years	14.23	14.30	14.07	14.30 (12/5)	13.15 (20/3)
10	Irredeemables†		12.21	12.28	11.17	12.31 (12/5)	11.35 (20/3)
11	Debs & Loans	5 years	14.88	14.88	14.66	14.88 (15/5)	13.80 (27/3)
12		15 years	14.93	14.93	14.58	14.93 (15/5)	14.16 (27/3)
13		25 years	14.93	14.93	14.51	14.93 (15/5)	14.25 (27/3)
14	Preference†		14.87	14.78	15.86	14.87 (15/5)	14.29 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26 1/2p.
● Corrected indices for May 7. ‡ Corrected indices for May 6.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✱ Unlisted Securities Market. ‡‡ London Listing. ‡ Resulting from debt settlement scheme. ‡‡ Units comprising 12A Ord. & 6 12½% Conv. Pref.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

Equity Accum. (2)	260.3	274.1	.....	3.92

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

Pro. Fund April 30	149.45		.....	6.77
Wider Fund April 30	282.20		.....	4.75
Narrower Fd. April 30	77.05		.....	13.22

*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

American	70.3	75.4	+0.3	2.04
(Accum. Units)	75.5	81.2	+0.4	2.04
American Recovery	80.2	85.8	+0.5	1.38
(Accum. Units)	82.6	88.6	+0.5	1.38
Australasian	103.5	110.7	+0.7	0.95
(Accum. Units)	108.5	115.9	+0.7	0.95
Commodity	147.9	158.3	+0.3	2.79
(Accum. Units)	174.0	186.2	+0.4	2.79
Compound Growth	196.3	210.0	-0.7	2.95
Conversion Growth	125.1	133.9	+1.6	2.43
Conversion Income	79.0	84.5	-0.2	8.86
Dividend	143.6	155.7	+0.4	7.98
(Accum. Units)	319.4	346.4	+0.9	7.98
European	60.4	64.6	+0.3	3.99
(Accum. Units)	66.2	70.8	+0.3	3.99
Extra Yield	91.0	97.4		8.85
(Accum. Units)	147.9	158.3	-0.1	8.85
Far Eastern	132.2	141.4	+3.8	1.82
(Accum. Units)	151.1	161.7	+4.3	1.82
Fund of Inv. Tsts.	98.2	106.3	-0.3	4.38
(Accum. Units)	134.1	144.8	-0.4	4.38
General	247.8	265.4	+1.4	5.56
(Accum. Units)	429.4	461.4	+2.3	5.56
Gilt Income	45.3	47.6	+0.1	11.49
(Accum. Units)	47.0	49.4	+0.1	11.49
High Income	121.9	130.4	-0.1	8.58
(Accum. Units)	242.3	259.3	-0.3	8.58
Japan	180.3	192.9	+1.3	0.81
(Accum. Units)	189.6	202.9	+1.4	0.81
Magnum	360.8	382.4	+2.3	5.17
(Accum. Units)	490.9	528.8	+3.1	5.17
Midland	174.6	186.8	-0.4	8.31
(Accum. Units)	344.8	368.9	-0.8	8.31
Recovery	139.3	149.1	+0.2	4.94

Schroder Unit Trust Managers Ltd.
48, St. Martins Lane, WC2. Dealings 0705 27733

Capital	179.0	192.4	+2.1	2.55
(Accum. Units)	231.8	249.2	+2.9	2.55
Income Fnd.	245.0	263.4	+3.1	7.32
(Accum. Units)	422.5	454.3	+6.9	7.32
Gen.	137.9	148.2	+1.9	3.61
(Accum. Units)	186.7	200.7	+2.5	3.61
Europe	21.2	22.7	-0.2	2.86
(Accum. Units)	25.2	27.0	-0.2	2.86
Smaller Co.'s	151.6	163.0	-0.5	2.58
American	54.0	58.0	-0.1	0.22
(Accum. Units)	54.0	58.0	-0.1	0.22
Tokyo	53.9	57.9	+1.1	0.22
(Accum. Units)	53.9	57.9	+1.1	0.22
Gilt & Fixed	47.4	49.8	+0.3	11.59
(Accum. Units)	47.4	49.8	+0.3	11.59
Australian	51.9	55.8	+0.6	1.95
(Accum. Units)	51.9	55.8	+0.6	1.95
*Ph. & C. Fd. Apr. 22	261.9	275.6	.....	4.49
*Recovery May 12	318.9	335.6	.....	3.92
*Spec. Ex. May 12	495.9	522.0	.....	1.89
*Euro. Exempt May 7	105.5	111.0	.....	2.51

*For tax exempt funds only.

Scottish Amicable Inv. Mngrs. Ltd.
150 St. Vincent St., Glasgow 041-221 8844

Equity Trust Accum.	105.9	114.3	+0.7	5.36

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	64.7	68.8	.....	4.98
Accum. Units	83.5	88.9	.....	4.98

Dealing day Wednesday.

For Sebag see Carr, Sebag Unit Trust Managers.

Security Selection Ltd.
Regis Hse., King William St., EC4. 01-623 4951

Unvl Gth Tst Acc.	36.6	39.4	.....	7.70
Unvl Gth Tst Inc.	27.2	29.3	.....	7.70

SIMCO Money Funds
66, Cannon Street, EC4N 6AE 01-236 1425

SIMCO Call Fund†	100.0	—	.....	11.06
SIMCO 7-Day Fund†	100.0	—	.....	11.51

†Unauthorised—Cash Deposit Funds.

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99 5/16	97¾	Exch. 9½pc 1981	99 5/16	+1/32	9.54	11.44
97¾	93¼	Exch. 3pc 1981	97¼	+⅛	3.05	11.88
99 13/16	99⅛	Treas. Variable '81‡‡	99¾	−1/16	11.89	12.40
100 11/16	99¾	Exch. 12¾pc 1981‡‡	100¼xd	−1/16	12.68	11.65
97⅞	95 5/16	Treas. 8¼pc '80-82‡‡	97 5/16	+⅛	8.69	11.95
95	91⅞	Treasury 3pc '82‡‡	94¼	—	3.18	11.76
102 5/16	100 11/16	Treasury 14pc '82‡‡	101 5/16	......	13.79	11.85
99¼	98 3/16	Treas. Variable '82‡‡	99 3/16xd	......	13.04	12.73
95⅜	93 13/16	Treasury 8¼pc '82	95¼	+3/16	8.66	12.07
96 5/16	93 5/16	Exch. 9¼pc 1982	95 5/16	+⅛	9.70	13.06
94⅞	92⅞	Exch. 8¾pc 1983	94¼	+1/16	9.28	12.71
89¼	84⅞	Exch. 3pc 1983	88½	......	3.38	10.19
99⅞	97⅞	Treasury 12pc 1983‡‡	97 13/16	+1/16	12.25	13.25
98¼	96¼	Treas. Variable '83‡‡	98¼xd	......	13.45	12.54
94⅛	92¼	Treasury 9¼pc '83	93	+1/16	9.94	13.04
101 13/16	99¾	Exch. 13½pc '83	100 5/16xd	+1/16	13.45	13.33
94⅛	92¼	Exch. 10pc 1983	93¼xd	+1/16	10.72	13.20
87¼	84½	Funding 5½pc '82-84‡‡	85⅞	......	6.40	11.62
96¼	94½	Exch. 11¼pc 1984	94 15/16	+1/16	11.84	13.47
103 5/16	100¼	Exchequer 14pc 1984	101 5/16xd	+¼	13.83	13.46
80⅛	78½	Exch. 3pc 1984	79¼xd	+⅛	3.78	11.74
98⅜	95½	Treasury 12pc 1984	96 1/16	+¼	12.49	13.45
107¼	104 5/16	Treasury 15pc 1985	104⅜	+3/16	14.37	13.44
98⅜	95⅜	Exch. 12pc Cnv. '85	95⅜	+¼	12.58	13.55
75¼	73¼	Treasury 3pc 1985	74¼xd	+⅛	4.04	11.14
30 1/16	27 3/16	Treas. 11¾pc '85(£30pd)	27 5/16	+⅛	12.27	13.55
98⅜	95¼	Exch. 12¼pc 1985	95 7/16xd	+3/16	12.83	13.62
97⅛	93⅛	Exch. 11¾pc '86	93 3/16	+3/16	12.55	13.60
		Five to Fifteen Years				
70 7/16	68⅞	Treasury 3pc 1986‡‡	69⅛	+⅛	4.34	11.27
97 13/16	92⅝	Treasury 12pc '86	92⅞xd	+½	12.80	13.79
88⅞	84⅜	Treasury 8¾pc '84-86‡‡	86⅛	+½	10.16	12.95
103¾	98⅛	Exch. 13¼pc 1987	101½	+⅜	13.61	13.93
81¼	76	Funding 6½pc '85-87‡‡	76⅝	+½	8.51	12.21
99½	91⅛	Treas. 12pc 1987	91¼	+⅝	13.14	14.09
81⅛	76¼	Treasury 7¾pc '85-88‡‡	79½	+½	10.04	12.95
65½	61⅝	Transport 3pc '78-88	62⅛	+⅜	4.91	11.05
92¾	86¼	Treasury 11½pc 1989	89⅛	+⅝	13.30	14.44
93	87	Do. A	90	+⅝	13.38	14.53
67¼	63¼	Treasury 5pc '86-89	63¼	+⅜	7.89	12.06
101½	95⅛	Treasury 13pc 1990‡‡	97⅜	+½	13.90	14.31
95 7/16	89⅝	Exch. 12½pc 1990	89⅞	+⅝	13.94	14.62
80⅞	74	Treasury 8¼pc '87-90‡‡	74⅝xd	+⅝	10.96	12.98
93⅛	86½	Treasury 11¾pc 1991	89⅝	+¾	13.74	14.58
66¾	62⅝	Funding 5¾pc '87-91‡‡	63⅝	+⅜	9.20	12.39
90	81¼	Exch. 11pc 1991	82½	+½	13.50	14.49
98⅛	91¾	Treasury 12¾pc '92‡‡	94⅝	+½	14.07	14.49
82¾	77⅜	Treasury 10pc 1992	79⅝	+⅜	12.98	14.22
94⅛	88¼	Exch. 12¾pc '92	89⅞	+⅝	14.06	14.60
101⅞	94¼	Exchequer 13½pc '92	95⅜	+⅝	14.47	14.71
96¾	90¼	Treasury 12½pc '93‡‡	92¼	+½	14.12	14.53
63⅞	60½	Funding 6pc 1993‡‡	61	+⅜	10.00	12.42
105¼	94⅝	Treasury 13¾pc 1993‡‡	95xd	+½	14.46	14.59
107¼	100½	Treasury 14½pc '94‡‡	102⅛	+⅜	14.64	14.65
104¼	93⅝	Exchequer 13½pc 1994	94	+½	14.48	14.63
95⅝	88½	Exch. 12½pc 1994	91	+⅜	14.39	14.54
79⅝	71⅞	Treasury 9pc '94‡‡	72¼	+⅜	12.46	12.53
92⅞	83⅛	Treasury 12pc '95	88¼	+½	14.11	14.53
51¾	47⅜	Gas 3pc '90/95	47⅝	+¼	6.31	10.10
83	77⅜	Exch. 10¼pc 1995	79⅜	+⅜	13.47	14.21
100⅛	89⅝	Treasury 12¾pc '95‡‡	90	+½	14.18	14.42
104⅞	97⅛	Treas. 14pc '96	100½	+½	14.57	14.64
76¾	72¼	Treasury 9pc '92/96‡‡	72½	+⅜	12.68	13.60
115⅝	103⅛	Treasury 15¼pc '96‡‡	103¾	+½	14.73	14.72
103½	92¼	Exchequer 13¼pc '96‡‡	93	+½	14.26	14.41
		Over Fifteen Years				
65¾	62⅝	Trs. 2pc I.L. (£65pd)‡‡	62½	+¼	2.14	2.16
50¼	47½	Redemption 3pc 1986-96	47¾	+⅛	6.33	9.63
101⅛	93¾	Treasury 13¼pc '97‡‡	96¾	+½	14.31	14.45
83⅝	77	Exchequer 10½pc 1997	79⅞	+⅝	13.56	14.09
74¼	70⅛	Treasury 8¾pc 1997‡‡	71	+⅜	12.65	13.45
65⅝	58¼	Treasury 6¾pc '95-98‡‡	58¼	+⅜	11.55	12.81
114½	106½	Treas. 15½pc '98‡‡	107	+⅞	14.77	14.69
95⅛	84⅛	Exch. 12pc 1998	84⅞xd	+½	14.12	14.37
79⅝	74⅝	Treasury 9½pc 1999‡‡	76⅜	+½	12.98	13.52
94	87¼	Exch. 12¼pc 1999	88	+½	14.28	14.40
94⅞	88	Do. 'B'	89⅝	+½	14.20	14.40
86¼	76¾	Treasury 10½pc 1999	77⅛xd	+⅞	13.60	14.01
100	92¼	Treas. 13pc 2000	95⅜	+½	14.29	14.39
107¾	95⅞	Treas. 14pc '98-01	96½xd	+½	14.48	14.52
93¼	85⅞	Exch. 12pc '99-02	88¼	+½	14.12	14.27
104⅞	96½	Treas. 13¾pc 2000-03	99½	+½	14.43	14.46
90	83⅝	Treasury 11½pc '01-04	84⅜	+½	13.94	14.07
41⅛	38⅛	Funding 3½pc '99-04	38⅜	+¼	9.41	11.09
99¼	88⅛	Treasury 12½pc '03-05	88¾xd	+½	14.06	14.12
68⅞	63⅜	Treasury 8pc '02-06‡‡	64⅜	+⅝	12.61	12.93
92½	85½	Treasury 11¾pc '03-07	87⅞	+⅝	13.96	14.03
93⅞	86⅛	Do. 'A'	89	+⅝	13.96	14.02
103⅛	95¾	Treas. 13½pc '04-08	97	+½	14.20	14.21
50⅝	46¼	Treasury 5½pc '08-12‡‡	47⅜	+¾	11.87	12.21
66¾	62⅝	Treasury 7¾pc '12-15‡‡	63¼	+½	12.73	12.85
98⅛	87⅛	Exch. 12pc '13-'17	87⅝xd	+½	13.56	13.59
		Undated				
33¼	31¼	Consols 4pc	31⅜	+¼	13.07	—
32¼	28⅝	War Loan 3½pc‡‡	28 13/16xd	+3/16	12.03	—
37⅝	34½	Conv. 3½pc '61 Aft.	34⅞	+⅜	10.16	—
25	23	Treasury 3pc '66 Aft.	23⅛	+⅛	13.17	—
21⅛	19¾	Consols 2½pc	19⅞	+⅛	12.76	—
21	19¼	Treasury 2½pc	19⅛	+⅛	13.12	—

INTERNATIONAL BANK

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
91	87	5pc Stock '77-82	90½	......	5.52	13.41

CORPORATION LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
93½	90¼	Bath 11¼pc 1985	90¼	......	12.38	14.04
98	95¼	Birm'ham 12½pc 1985	95¼xd	......	13.13	14.06
102	93½	Burnley 13pc 1987	93½xd	......	13.78	14.45
95½	88½	Cardiff 11pc 1986	88½	......	12.50	14.23
100⅛	98¼	G.L.C. 12½pc '82	99½xd	......	12.56	13.04
99	97	Do. 12½pc 1983	97½	......	12.85	13.96
95⅜	92½	Glasgow 9¼pc '80-82	94⅝	......	9.77	13.21
75½	72	Herts 6½pc 1985-87	73	......	9.48	13.80
91½	89¼	Liverpool 9¾pc '80-84	90	......	10.83	13.92
26	24¼	Do. 3½pc Irred.	24½	......	14.36	—
100½	98¼	Lon. Corp. 13¼pc '83	98¾	......	13.42	13.83
88¾	87½	Do. 9¼pc '84-85	88	......	10.71	13.42
97⅜	94	L.C.C. 5½pc '77-81	97⅜	......	5.65	13.27
80½	78¼	Do. 5½pc '82-84	79½	......	6.92	13.65
71¼	67	Do. 5½pc '85-87	67xd	......	8.14	13.48
70¼	66¼	Do 6¾pc '88-90	67	......	10.42	13.58
23¼	21	Do. 3pc '20 Aft.	21¼xd	......	14.22	—
97¼	95	Sunderland 12¼pc 1984	95¼	......	12.86	13.94

COMMONWEALTH AND AFRICAN LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
95	92¼	Aust. 5½pc '81-82	94¼	+¼	5.84	12.68
87½	83½	Do. 6pc 1981-83	84¼xd	+¼	7.10	13.32
67¼	63¾	N.Z. 7¼pc 1988-92	65¾	+¼	11.48	13.82
81¾	76¼	Do. 7½pc '83-86	76¼xd	+¼	9.68	13.81
99½	94¾	Sth. Africa 9½pc '79-81	97¼	......	19.80	16.16
141	115	S. Rhod. 2½pc Non-Ass.	137	......	—	—
59	43	Do. 3½pc 80-85 Assd.	53	......	6.68	20.60
40	26	Do. 4½pc 87-92 Assd.	35	......	13.31	19.40
395	333	Zimbabwe Ann (£100pa)	375	......	—	21.04

LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Public Board and Ind.				
64	61	Agric. Mt. 5pc '59-89	61	......	8.44	13.37
29½	27¼	Met. Wtr. 3pc 'B'	27½	......	11.15	13.40
114	98½	U.S.M.C. 9pc 1982	111	......	8.43	—
97¼	92½	Do. without Warnts.	96	−½	9.81	16.60
		Financial				
101½	98¾	FFI 14pc '83	98⅞	......	14.16	14.52
92	88½	FFI(UK Fn)5½pcDb. '80-2	90¼	......	6.06	13.94
83½	79½	Do. 6¼pcDb. '81-84	79½	......	7.86	13.80
93	86½	Do. 10¾pc Uns.Ln. '86	91	......	12.04	14.40
92	79¼	Do. 11pc Uns.Ln. '88	89½	......	12.86	13.90
92	86½	Do. 11¾pc Uns.Ln. '90	90	......	13.72	14.70
94½	88½	Do. 12½pc Un. Ln. 1992	88½	......	14.12	14.78
64½	60	Do. 7½pcADeb. '89-92	62½	......	12.28	14.80
62	59	Do. 7¼pcADeb. '91-94	59½	......	12.18	14.10
72½	68	Do. 9pc 'A' '91-94	69	......	13.04	14.30
70	65	Do. 8⅞pcLn. '92-97	65	−1	14.25	15.10

FOREIGN BONDS & RAILS

1981 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
62½	58	Antofagasta Rly.	62	+2	—	—
55	55	Do. 5pc Pref.	55	......	—	—
98	98	Chilean Mixed	98	......	3	13.09
28	18	Chinese 4½pc 1898	18	......	—	—
22	16	Do. 5pc 1912	16	......	—	—
18	10	Do. 5pc 1913	10	......	—	—
16	10	Do. 5pc '25 Boxer	10	......	—	—
94	88¼	Denmark 13pc 2005	89	+½	13	15.52
36	36	Greek 7pc Ass.	36	......	3½	19.75
34	33	Do. 6pc 28 Stb. Ass.	34	......	3	19.05
32	30	Do 4pc Mixed Ass.	32	......	2	16.40
52	48	Hung. '24 Ass.	48	......	2¼	15.72
67	62	Iceland 6½pc '83-88	67	......	6½	14.40
102	92½	Do. 14pc Ln. 2016	93	......	14½	16.02
90¼	85¾	Ireland 7½pc '81-83	89	......	7½	15.03
79¾	72½	Do. 9¾pc '91-96	72½	......	9¾	14.59
195	180	Japan 4pc '10 Ass	180	......	—	—
79	67	Do. 6pc '83-88	67	......	6	14.01
165	155	Peru Ass. 2007	165	......	5.22	13.17
100 3/16	95½	Sweden 13½pc 1986	95¼	+¼	13½	14.74
579	577	Turin 9pc 1991	577½	......	—	11.61
DM90	DM90	Turin 6½pc 1984	DM90	......	—	9.45
96	96	Uruguay 3½pc	96	......	3½	3.86

AMERICANS

1981 High	Low	Stock	Price £	+ or −	Div. Gross	C'vr	Y'ld Gr's
27⅝	19⅝	ASA	26½xd	......	$5.00	—	9.1
27⅝	27⅝	AMF 5% Conv. '87	27⅝xd	......	5%	—	18.1
27¼	22½	Abbott Labs.	27	......	$1.44	—	2.6
30⅝	16½	Amax $1	28xd	+1½	$2.40	—	4.1
21¼	16⅝	Amer. Express $0.60	20¾	+⅜	♦$2.00	—	4.6
20⅜	15½	Amer. Medical Intl. $1	18½	+⅜	64c	—	1.7
13½	11¼	Bank America Corpn.	12½xd	+⅛	$1.52	—	6.0
14⅜	12⅛	Bankers N.Y. $10	14¼	+¼	$1.85	—	6.2

CANADIANS

1981 High	Low	Stock	Price £	+ or −	Div. Gross	C'vr	Y'ld Gr's
19⅜	15⅞	Hollinger $5	19⅜	+⅛	$2.20	—	4.5
10¼	812p	Hudson's Bay ‖	10⅝xd	+¼	$1.20	—	4.4
14¼	795p	Hud.B.Oil G. $2½	14¼	+¼	32c	—	0.9
14⅞	11½	Imperial Oil‖	14⅞	+½	$1.40	—	3.7
10½	765p	Inco‖	10¼	+¼	SUS72c	—	3.3
700p	450p	Int. Nat. Gas $1	680p	+10	$1.10	—	6.4
210p	155p	Massey Ferg.‖	185p	......	—	—	—
120p	80p	Place Gas $1	93p	+6	—	—	—
16⅛	10¼	Rio Algom	16xd	+⅛	$1.50	—	3.7
12	10⅞	Royal Bk. Can. $1	11½	−⅛	$1.60	—	5.5
26	23¾	Seagram Co. C$1	25⅜xd	......	US$1.40	—	2.6
13⅞	11¼	Tor. Dom. Bk. $1	12¼	+¼	$1.60	—	5.2
10½	750p	Trans Can. Pipe	10⅛	+⅜	$1.16	—	4.5

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1981 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
40	Hewitt (J.)	50	−2	1.8	4.8	5.1	2.6
26	Highgate & Job 50p	45	—	—	—	—	—
40	Hill (Chas.) £1	42	−3	—	—	—	—
16	Hirst Mal'son 20p	34	—	†0.1	—	0.4	—
86	Holden (A.)	96	—	5.0	3.3	7.4	4.7
24	Hollis Bros	30	−2	†1.4	—	‡	—
55	Holt Lloyd Int. 10p	67	—	3.17	φ	6.9	φ
110	Hoover 'A'	145	—	6.0	—	5.9	—
39	Hoskins & H 20p	63	—	2.0	—	4.7	—
48	Howard Tenens	62	−1	†2.28	2.0	‡	11.4
250	Hunting Assoc.	365	—	5.0	6.0	2.0	9.4
112	Huntleigh 10p	142	+5	1.5	3.8	1.5	17.7
120	Hutch Whamp $HK1	161	+4	Q32c	φ	1.7	φ
12	Hyman (L. & J.) 5p	12½xd	−½	0.83	φ	9.5	φ
£12⅞	I.C. Industries $1	£16½	—	Q$2.20	—	6.3	—
32	ICL	38	−2	2.97	—	11.2	—
35	Ingall Inds. 10p	41xd	—	t2.5	1.6	8.7	11.9
188	Initial Services	239	+1	7.5	2.3	4.5	11.8
9	Inter-City 20p	13½	−½	†0.6	1.8	‡	(8.9)
39	J. B. Holdings 10p	77	—	3.0	4.9	5.7	4.9
[illegible]0	Jacksons Bourne	143	−2	5.0	3.3	5.0	8.7
12	James (M.) Inds. 10p	19	—	†0.75	3.9	‡	5.3
147	Jardine M. $HK5	185	+2	Q88c	φ	4.0	φ
16½	Jentique	24	—	†1.03	—	‡	—
6½	Johnson & Barnes	7#	—	—	—	—	—
152	Johnson Clnrs.	238	+2	7.0	3.4	4.2	7.8
186	Johnson Mthy. £1	277	+8	19.0	2.8	4.6	(8.7)
75	Jourdan (T.) 10p	92	—	5.25	1.8	8.2	9.6
60	Kalamazoo 10p	71xd	—	†3.75	1.4	‡	11.6
138	Kelsey Inds.	165	—	8.0	4.7	6.9	4.4
112	Kennedy Sm. 10p	125	—	†3.5	3.4	4.0	8.9
255	Kershaw (A.) 5p	315	—	21.75	0.6	9.9	(20.9)

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
40	32	Acmex 50c	40	—	Q2.5c	—	3.5
23	14	ACM 20c	19	—	—	—	—
21	14	Argosy Gold NL 25c	17	—	—	—	—
212	137	Bond Corp.	172	+3	Q7½c	1.9	2.4
102	76	Bougainville 1 Kna.	90	−1	Q26.2c	1.0	15.8
302	214	CRA 50c	230	—	Q19c	1.7	4.5
25	17½	Canada Northwest	18	—	—	—	—
35	17	Carr Boyd 20c	17	—	—	—	—
415	80	Central Pacific	105	−5	—	—	—
35	15	Cons. Gold Mn. NL 5c	15	—	—	—	—
47	30	Cultus Pacific N.L.	30	—	—	—	—
32	22	Eagle Corp. 10c	28	—	—	—	—
40	29	Endeavour 20c	30	—	—	—	—
500	310	G. M. Kalgoorlie 25c	405	+5	†Q13c	φ	1.8
25	10	Great Eastern	10	—	—	—	—
275	180	Hampton Areas 10p	200	—	t2.5	2.4	1.8
168	58	Haoma Gold N.L.	60	+2	—	—	—
85	42	Intl. Mining	43	—	—	—	—
245	140	Kitchener NL 25c	155	—	—	—	—
105	45	Leichardt Expln.	50	—	—	—	—
430	275	Meekatharra	400	—	—	—	—
70	49	Metals Ex. 50c	57	—	§Q3c	2.9	2.7
38	20	Metramar Mns 25cs.	34	−2	—	—	—
267	190	M.I.M. Hldgs. 50c	259	+7	‡Q27.6c	1.7	‡

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
175	142	Anglo-Dominion	165	+5	—	—	—
55	40	Barymin	45	—	—	—	—
24	14	Burma Mines 10p	22½	—	0.75	0.9	4.8
315	180	Colby Res. Corp.	220	—	—	—	—
270	200	Cons. Murch. 10c	270	—	tQ30c	1.8	6.4
98	75	††Hemerdon 10c	80	—	—	—	—
180	135	Highwood Res.	155	—	—	—	—
400	300	Northgate C$1	345	—	—	—	—
580	372	R.T.Z.	540	+4	16.0	3.2	4.3
£125	£93½	Do. 9½% Cnv. Ln. '95-2000	£122	+1	Q9½%	—	f8.1
143	110	††SPO Minerals 10p	110	—	—	—	—
47	32	Sabina Inds. C$1	34	—	—	—	—
41	28	††SWCM 10p	41	—	—	—	—
550	465	Tara Expln. $1	500	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ *Interim since reduced, passed or deferred.*
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✱ Regional price.
- || No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ☆☆ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	42	−1
Bertam	14	—
Bdg'wtr. Est. 50p	450	−10
Craig & Rose £1	£11¾	—
Fife Forge	63	—
Finlay Pkg. 5p	19	—
Graig Ship. £1	£18	—
Higsons Brew.	73	—
Holt (Jos) 25p	460	—
I.O.M. Stm. £1	157	—
Pearce (C. H.)	960	—
Peel Hldgs.	100	—
Sheff. Refrshmt.	101	—
Sindall (Wm.)	175	—

IRISH		
Conv. 9% '80/82	£92⅞	—
Nat. 9¾% 84/89	£74½	—
Fin. 13% 97/02	£79	−¼
Alliance Gas	80	—
Arnott	255	−5
Carroll (P.J.)	88	—
Concrete Prods.	98	—
Heiton (Hldgs.)	30	—
Ins. Corp.	395	—
Irish Ropes	53	—
Jacob	54	+½
T.M.G.	25	−5
Unidare	100	—

OPTIONS

3-month Call Rates

Industrials					
A. Brew	6½	House of Fraser	14	Utd. Drapery	6½
BOC Intl.	11	I.C.I.	20	Vickers	15
B.S.R.	4½	"Imps"	7	Woolworths	5
Babcock	11	I.C.L.	6	**Property**	
Barclays Bank	36	Ladbroke	30	Brit. Land	8
Beecham	15	Legal & Gen.	28	Cap. Counties	11
Blue Circle	35	Lex Service	10	Land Secs.	37
Boots	20	Lloyds Bank	28	MEPC	20
Bowaters	24	"Lofs"	4½	Peachey	15
Brit. Aerospace	14	London Brick	7	Samuel Props.	13
B.A.T.	25	Lucas Inds.	18	Town & City	2¼
Brown (J.)	7	"Mams"	20	**Oils**	
Burton Ord.	12	Mrks. & Spncr	9	Brit. Petroleum	36
Cadburys	7½	Midland Bank	26	Burmah Oil	16
Courtaulds	6	N.E.I.	7	Charterhall	9
Debenhams	8	Nat. West. Bank	32	KCA	22
Distillers	17	P & O Dfd.	13	Premier	10
Dunlop	7½	Plessey	30	Shell	34
Eagle Star	22	Racal Elect.	34	Tricentrol	30
F.N.F.C.	3½	R.H.M.	5	Ultramar	44
Gen. Accident	30	Rank Org. Ord.	18	**Mines**	
Gen. Electric	60	Reed Intnl.	20	Charter Cons.	21
Glaxo	28	Sears	5	Cons. Gold	45
Grand Met.	14	Tesco	5½	Lonrho	9
G.U.S. 'A'	44	Thorn EMI	30	Rio T. Zinc	45
Guardian	32	Trust Houses	18		
G.K.N.	16	Tube Invest.	18		
Hawker Sidd	25	Turner & Newall	10		
		Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday May 16 1981

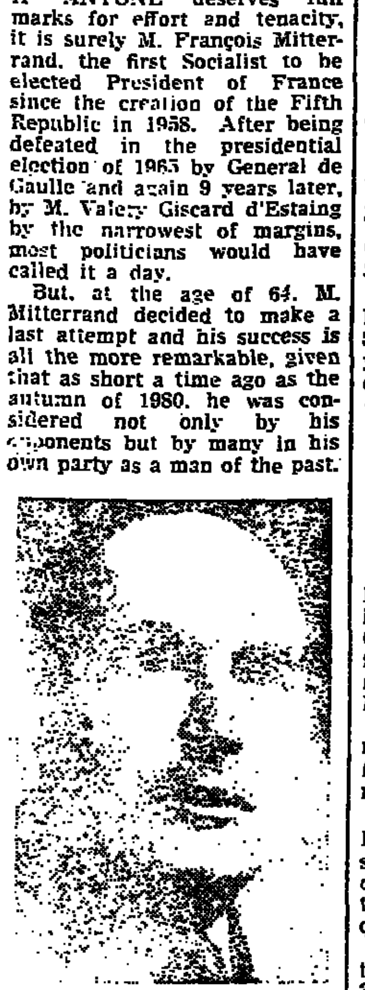
MAN OF THE WEEK

France's lurch to the left

BY ROBERT MAUTHNER

IF ANYONE deserves full marks for effort and tenacity, it is surely M. François Mitterrand, the first Socialist to be elected President of France since the creation of the Fifth Republic in 1958. After being defeated in the presidential election of 1965 by General de Gaulle and again 9 years later, by M. Valery Giscard d'Estaing by the narrowest of margins, most politicians would have called it a day.

But, at the age of 64. M. Mitterrand decided to make a last attempt and his success is all the more remarkable, given that as short a time ago as the autumn of 1980, he was considered not only by his opponents but by many in his own party as a man of the past.



Francois Mitterrand
His career spans nearly 40 years of French history

Certainly he is also that, since the career of this highly complex figure spans nearly 40 years of French history.

If, at the same time, he has also managed to incarnate the future, it is that, largely thanks to his own skill and obstinacy, he has built up a strong Socialist Party which has emerged as the nucleus of a credible left-wing alternative to 23 years of centre-right governments.

The son of a railway employee turned businessman, who later became the president of the National Federation of Vinegar Producers, and a devoit Catholic mother from a prosperous family from the Cognac region, the young Francois had a typically provincial bourgeois upbringing.

His early life in Jarnac, where he was born, and in Angoulême, in the Charente region north of Bordeaux, where he went to a Roman Catholic college, have had a profound influence on a man who, mistakenly, has often been pictured as just a cynically ambitious politician.

The young Francois was encouraged to read and study at a tender age and he has not stopped reading and writing since. His books, such as "La Paille et le Grain" (The Straw and the seed) reveal a writer of considerable talents and, above all, a man of great sensitivity behind a somewhat austere exterior. Undoubtedly, M. Mitterrand is imbued with the literature and history of his country to a quite unusual degree for a professional politician and he has a strong emotional bond with the French countryside, nurtured by long solitary walks in his youth.

All these factors have to be set against some of the less pleasing aspects of his early political career, which have plagued him throughout the years.

Most of all, it was his remark as Minister of the Interior at the beginning of the Algerian war in 1954: "the only negotiation is war because Algeria is France," which has been held against him by left-wing critics as demonstrating that he was not a genuine Socialist.

M. Mitterrand himself admits in one of his books *(Ma part de vérite) that he was not born a* Socialist and that he showed "no precociousness" in becoming one. As for Marxism, that is a philosophy as far removed from the basic beliefs of the new French President as it is from those of Mr. Denis Healey.

He could better be described as a liberal humanist, if the word liberal were not taboo in Socialist circles following its frequent use by M. Giscard d'Estaing to describe his own policies. If, since 1972, M. Mitterrand's whole strategy has been based on building a left-wing alliance with the Communists, it is only because French electoral arithmetic ruled out a left-wing victory by any other means.

The new President's greatest achievement is to have been elected with the full support of Communist voters while relegating the Communist Party to very much the junior left-wing force and without making any prior commitment.

International Harvester sells turbine division

BY IAN HARGREAVES IN NEW YORK

INTERNATIONAL HARVESTER, the troubled U.S. farm machinery and truck manufacturer, has agreed to sell for $505m (£243.5m) cash its profitable turbine engine division to Caterpillar Tractor.

The deal will ease some of the pressure on Harvester's balance-sheet as it works to complete details of a $5bn debt restructuring exercise with its banks around the world.

Caterpillar's purchase of Solar Turbines International represents a diversification into very large turbine engines for use mainly in stationary aplications pumping oil and gas. The division also makes gas compressors, pump drives and generators.

The Solar Turbines division has a book value of about $220m and projects sales this year of $460m. Last year, Solar earned $11m operating profits and was Harvester's only profitable division.

The proceeds of the sale will be used to pay off quickly half of Harvester's $1bn short-term debt, a development which should help to improve the tone of the group's drawn-out debt restructuring negotiations.

Yesterday had been thetarget for completing this restructuring, but the date has been forced back by the reluctance of several smaller banks to continue lending to Harvester and because of a decision by the banks to commission a management consultants' report on the company.

Earlier this week, a New Orleans bank won a court ruling that Harvester should be forced to repay $3.5m in loans. Harvester is appealing against the ruling and, in co-operation with its lead banks, is still trying to persuade all the company's creditors to take part in the restructuring operation.

Caterpillar, the world's largest manufacturer of earth-moving equipment, said yesterday it had bought Solar Turbines because it offered an opportunity to extend into a new and promising field.

Much of Solar's efforts in recent years have gone into developing the Mars engine, an immense 10,600 hp engine. Currently, Caterpillar's biggest engine is a diesel powered 1,600 hp unit.

Solar has had considerable success in export markets, which account for about half of its sales. Its main competitors are General Electric, Westinghouse, General Motors, United Technologies, Ruston Gas Turbine and Snecma of France.

Caterpillar's engine division last year accounted for $1.4bn of the company's $8.6bn sales.

U.S. growth rate holds up

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

INDUSTRIAL PRODUCTION in the U.S. rose by an estimated 0.4 per cent last month, only fractionally less than the revised 0.5 per cent advance in March.

The increase would have been much higher—0.7 per cent—but for the impact of the U.S. coal miners' strike.

The figures, released by the Federal Reserve, appear to suggest that the expected slowdown in economic activity after the sharp growth of the first quarter was not evident in April.

Last month's returns mean that industrial production was 3 per cent up on the same month a year ago, although 0.5 per cent below its pre-recession peak in March, 1979.

With the exception of the substantial fall in the energy sector, caused mainly by the coal strike, and a small decline in the output of household appliances, most other industrial sectors fared well in April.

Coal stocks, however, had been built to record levels in anticipation of the stoppage. In addition, many U.S. coal mines are not unionised, and have continued to produce.

Car production, rising to an annual rate of 6.8m vehicles, was 5 per cent higher in April than in March, contributing to an overall 0.8 per cent advance in the consumer durables sector. This is obviously encouraging to the motor industry, since its extensive rebate promotions programme came to an end in March.

Earlier confirmation of an improvement came on Thursday from Detroit, where Ford's management told the company's annual general meeting that it expects almost to break even in the current financial quarter after a loss of $440m in the previous three months.

The Reagan Administration believes its economic programme, especially the tax-cutting package and the revised accelerated depreciation scheme, will further aid industrial recovery.

But there was continued speculation yesterday, after a week of conflicting statements, that the President was prepared to compromise with Congress on his plan to cut taxes by 10 per cent a year for the next three years.

This was enhanced yesterday when Republican Congressman Robert Michel from Illinois, the minority leader in the House, and a loyal supporter of the President, said that votes for Mr. Reagan's tax package "are not there."

He urged compromise, prompting the White House Press spokesman, who had earlier dismissed such a possibility, to assert that the President was "ready to listen."

Four in New York Sasse case

BY DAVID LASCELLES IN NEW YORK AND JOHN MOORE IN LONDON

FOUR INSURANCE businessmen have been indicted in the U.S. on charges of defrauding a Lloyd's of London underwriting syndicate formerly under the management of Mr. Frederick Sasse of more than $1m in insurance premiums.

The Sasse syndicate faced eventual losses of over £21m. Members of the 110-strong syndicate, who came under financial pressure toward the end of 1977, sued Lloyd's for alleged broken rules and breach of duties.

Because Lloyd's admitted that the syndicate members "had justifiable grounds for complaint" the rest of the Lloyd's market helped meet the bulk of the Sasse losses last July.

Losses of about $16m had fallen on the Sasse syndicate from fire and damage-to-property insurances arranged by an insurance business, Den-Har Underwriters, under the management of Mr. Dennis Harrison.

In New York, it was learned this week, a 78-count indictment has been lodged against four U.S. businessmen in connection with their relationship with the Sasse syndicate.

The indictment accuses Mr. John Goepfert, Mr. Allan Assael, Mr. Dennis Harrison and Mr. Richard Mamarella of diverting fire insurance premiums which should have been forwarded to the Sasse syndicate, and depositing the premiums in a bank account in Curacao, the Caribbean island, according to Ms. Betty Santangelo, the assistant U.S. attorney for the Southern District of New York.

Each count is punishable by five to ten years' imprisonment and a maximum fine of $10,000.

Zambia mine companies to merge

BY OUR LUSAKA CORRESPONDENT

ZAMBIA'S two state-controlled mining companies are to merge, President Kenneth Kaunda said in Lusaka the Zambian capital, yesterday.

The merger is the first piece of economic reform to be announced since Zambia reached agreement with the International Monetary Fund on a loan facility of 800m Special Drawing Rights (£453m) earlier this week.

President Kaunda said the IMF loan had given the country breathing space to put its ailing economy to rights. The two companies, Nchanga Consolidated Copper Mines and Roan Consolidated Mines, produce copper and cobalt and together account for about 95 per cent of Zambia's export earnings.

The merged company will be called Zambia Consolidated Mines.

The country ranks as the fifth largest producer of copper in the Western world, and second only to Zaire in cobalt. Copper output in 1980 was 609,935 tonnes. Cobalt production was 3,310 tonnes.

President Kaunda said the merger would rationalise the use of facilities, production targets, research and development, prospecting and exploration, investment, access to world capital markets and stocks.

There is no indication yet of how long the deal will take to arrange. Apparently, the major outside shareholders in both companies have agreed to the merger in principle.

The Bermuda - registered Zambia Copper Investments, a subsidiary of Anglo American Corporation of South Africa, holds 40 per cent of NCCM's ordinary capital and 10 per cent of RCM. Amax of the U.S. has a 10 per cent stake in RCM. The Zambian Government's holding in both companies is about 60 per cent.

The terms of the merger have not been disclosed. But a scheme of arrangement, with the consequent share exchanges reflecting the relative values of the two companies, is expected to effect the transaction.

Continued from Page 1

MLR

the weekend. The French franc was fixed at its floor level against the D-mark in the European Monetary System and was quoted below this figure in late trading.

CURRENCY MOVEMENTS

	per cent change since May 1	end of 1980
£ against		
Dollar	−3.3	−12.5
French franc	+2.7	+8.2
D-mark	+1.3	+4.1
Trade-weighted	−0.1	−1.7
$ against		
French franc	+6.4	+23.8
D-mark	+4.8	+19.0
Trade-weighted	+3.1	+11.9

The dollar rose to FFr 5.5750 from FFr 5.57 on Thursday and to DM 2.3115 from DM 2.3105.

Against the same two currencies sterling rose to DM 4.79 from DM 4.78 and to FFr 11.54½ from FFr 11.51½.

Trading in the London bullion market was quiet.

Continued from Page 1

Gas pipeline

It will gather natural gas and gas liquids—the latter will be used as raw materials for making petrochemicals—from over a dozen different fields.

There has been considerable speculation durin gthe past few months about whether the project could go ahead at all under the arrangements proposed by the Government. It wants all interested parties—oil companies, chemical companies, British Gas and the financial institutiotns—to have a stake in the scheme.

As a result, a number of major North Sea operators have already statred discussing an alternative financing scheme based primarily on oil industry money. They have become increasingly concerned that the project could falter.

The companies involved in the discussions are understood to include Mobil, British Petroleum, Shell, Esso and Conoco—oil groups with discoveries which would probably be linked to a gathering system.

One of the main strumbling blocks in the way of project financing has been British Gas's refusal to give the industry a general pricing formula for the gas collected. Instead British Gas is negotiating prices with each field consortium.

Oil companies have told the Government that they cannot provide an estimate of how much gas will be collected unless they know roughly the price to be paid for the fuel. The companies have argued that the level of prices will determine how many fields can be exploited commercially.

Oil companies are seeking prices which would be in line with rates for oil products, when compared on a thermal or energy content basis. They complain that British Gas wants to pay much less.

The committee of British Gas, Mobil and BP, set up to organise the start of the project, still h ope that the UK pipeline could be on stream by the end of 1985.

Dutch allow state aid for Fokker airliner

By Charles Batchelor in Amsterdam

THE DUTCH Government announced yesterday that it would provide up to Fl 800m (£150m) to allow Fokker to develop a 150-seat jet airliner, codenamed the MDF-100, jointly with McDonnell-Douglas of the U.S.

The announcement came less than two weeks after the two companies surprised the aviation world with the news that they would co-operate in designing the new aircraft.

Financial help is essential for Fokker to afford its share in the estimated development costs of the project, which may be well over Fl 2bn (£375m).

Announcing the promise of Government support after the weekly Cabinet meeting, Mr. Hans Wiegel, Deputy Prime Minister, said the prospect of creating more jobs in the Netherlands, the advanced nature of the project, and Fokker's potential role in renewal of Dutch industry lay behind the aid pledge.

He gave no details of the aid, but it is expected to take the form of a loan to be repaid in the form of royalties on each aircraft sold, as well as a Government guarantee on a commercial banking loan. Fokker has funded development of its two aircraft, the turboprop F-27 and the jet F-28, by this method.

The final size of the loan will depend on the success of Fokker and McDonnell-Douglas in finding additional risk-sharing partners in the venture. A Japanese industrial consortium is expected to announce within the next few months whether it will join the project.

The Dutch Government decision implies it is confident that Fokker will find launching customers for the aircraft.

It had originally posed two conditions for granting aid—that Fokker find risk-sharing partners, and subsequently airlines willing to buy the aircraft.

Fokker and McDonnell-Douglas are setting up a programme co-ordination office to amalgamate the Dutch company's F-29 jet and McDonnell's plans for an aircraft codenamed the DC-11.

The first test flight will be in 1983 and the first delivery to an airline is fixed for 1986.

The two companies foresee a market for 2,000 150-seat aircraft over the next decade with three U.S. airlines, American, United and Delta, having already released outline specifications. Two production lines are planned, in the Netherlands and California.

Weather

UK TODAY

SHOWERS or longer periods of rain and bright intervals.

London, S. England, the Midlands, E. Anglia, Channel Isles, N. England
Sunny periods but scattered showers developing, becoming drier. Max. 16C (61F).

S., W. England, Wales, N.W. England, Lakes
Showers or longer periods of rain, perhaps thundery, with sunny intervals especially in sheltered places. Wind fresh or strong. Max. 16C (61F).

S.W. Scotland, N. Ireland
Cloudy with showers and bright intervals. Strong winds. Max. 15C (59F).

N.E. England, Borders, E. Scotland, the Highlands
Outbreaks of rain, some heavy, with fresh or strong winds. Max. 14C (57F).

Outlook: Unsettled with near normal temperatures.

WORLDWIDE

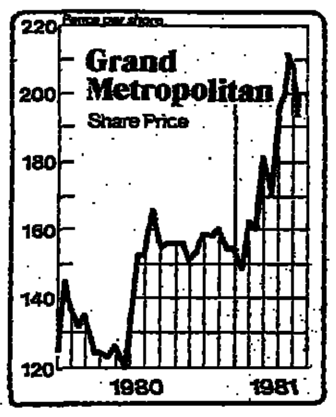
	Y'day midday	°C	°F		Y'day midday	°C	°F
Ajaccio	S	19	66	London	S	17	63
Algiers	S	20	68	L. Ang.†	C	16	61
Amsdm.	S	18	64	Luxmbg.	S	18	64
Athens	S	18	64	Luxor	S	41	106
Bahrain	S	35	95	Madrid	S	18	64
Barclna.	S	18	64	Majorca	S	21	70
Bairut	S	22	72	Malaga	S	23	73
Belfast	C	11	52	Malta	F	18	64
Belgrd.	S	19	66	M'chstr.	F	17	63
Berlin	S	23	73	Melbne.	F	19	66
Biarritz	F	22	72	Mx. C.†		—	—
Bmghm.	F	17	63	Miami†	C	22	72
Blackpl.	C	15	59	Milan	C	19	66
Bordx.	S	22	72	Montrl.†	F	12	54
Boulgn.	F	16	61	Moscow	S	20	68
Bristol	C	13	55	Munich	S	16	61
Brussels	F	17	63	Nairobi	C	23	73
Budpst.	F	20	68	Naples	F	20	68
Cairo	S	29	84	Nassau		—	—
Cardiff	C	11	52	Nwcstl.	F	15	59
Cas'b'ca	S	19	66	N York†	C	17	63
Cape T.		—	—	Nice	S	17	69
Chicg.†	C	8	46	Nicosia	S	20	68
Cologne	C	16	61	Oporto	R	14	57
Cpnhgn.	S	19	66	Oslo	S	22	72
Corfu	S	22	72	Paris	F	19	66
Denver†	C	15	59	Perth	F	18	64
Dublin	C	13	55	Prague	C	19	66
Dbrvnk.	S	19	66	Reykjvk.	R	8	46
Ednbgh.	S	17	63	Rhodes	S	22	72
Faro	S	19	66	Rio J'o†		—	—
Florence	S	22	72	Rome	S	21	70
Frankfi.	C	18	61	Salzbrg.	S	22	72
Funchal	C	19	66	S F'cisc†	C	11	52
Geneva	F	15	59	S. Moritz		—	—
Gibraltar	S	21	70	Singapr.		—	—
Glasgow	C	17	63	S'tiago†		—	—
G'rnsey	C	11	52	Stckhm.	S	20	68
Helsinki	S	21	70	Strasbg.	S	20	68
H. Kong	C	26	79	Sydney	S	21	70
Innsbrk	S	22	72	Tangier	F	18	64
Invrnss	S	17	63	Tel Aviv	S	21	70
I.o Man	R	10	50	Tenerife	F	17	63
Istanbul	C	12	54	Tokyo	C	24	75
Jersey	C	14	57	T'ronto†	C	10	50
Jo'burg		—	—	Tunis	R	17	63
L. Plms.	S	21	70	Valencia	S	20	68
Lisbon	F	18	64	Venice	S	19	66
Locarno	R	13	55	Vienna	S	21	70
				Warsaw	S	18	64
				Zurich	F	15	59

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

THE LEX COLUMN

Dollar boost for Grand Met

Index rose 2.9 to 561.0



The market has been looking at Grand Metropolitan with new eyes in recent weeks, and the shares are now standing 45 per cent above their low point at the beginning of the year. Even so the interim figures — showing a 12 per cent gain in pre-tax profits to £68.8m — have proved well ahead of most outside forecasts. So helped by a 10 per cent boost to the dividend, the shares put on a further 6p yesterday to 199p, where the prospective yield is a well covered 5 per cent.

Grand Met is demonstrating a high degree of success in holding on to profits in several sectors which have been hit by the recession. In spite of a decline of about 5 per cent in brewing volume, profits have advanced slightly. The contribution from the leisure division has come down by only 2 per cent, with the main damage in betting because of punters' good fortune throughout the trade in December. And because Grand Met is the only major survivor in London casinos, profits here have been maintained in spite of the scarcity of high-rollers in town. The slippage in wines and spirits has also been limited — to 6 per cent — with the company proving able to offset most of the sharp fall in U.S. volume through increased sales elsewhere.

The dollar is now moving the right way for the group, which makes 30 per cent of its profits in the U.S. Liggett may have made a contribution in the region of £10m after interest. Even in the hard-pressed hotel division—down 17 per cent in the first half—the Royal marriage may come galloping to the rescue this summer, spurred on by the cheaper pound. Meanwhile the growth of the last three years of the milk division continues.

So it looks as if profits are set for a solid gain for the full year, from £152.1m to £170m or so. Meanwhile the group is spending heavily, and may well finish the year with a small cash outflow. Net debt is about half shareholders' funds, a level which the group does not want to exceed. So although rumours of a rights issue yesterday proved unfounded, the market is bound to keep the possibility in mind.

Berec

Six months ago Berec was forecasting that its pre-tax profits for the year to February would turn out "broadly similar" to the £17.2m of 1979-80; in fact there has been a fall to £10.5m, and the final dividend has been halved. A maintained dividend would have been twice covered by stated historical cost earnings, but Berec apparently felt it could no longer ignore its current cost losses, nor the rate at which cash has been flowing out of the business.

Borrowings rose by £20m in 1979-80 and are up by nearly as much in the year just ended. There will be a further rise in debt in the current year, and in 1980-81 the interest charge absorbed 40 per cent of trading profits. Berec is spending heavily on fixed assets to improve operating efficiency and catch up its competitors' lead in new battery technology, but it has hardly been able to begin to finance this programme internally.

Last year Berec was dependent upon South Africa for nearly half its trading profits. The re-stocking of batteries by UK retailers that Berec was expecting during the winter did not fully materialise, the German company is making no money in a very competitive market, and in Nigeria margins have collapsed under pressure from illegal imports. Exports from the UK continue to suffer from the strength of sterling against the continental European currencies.

The shares fell 5p to 75p yesterday, at which price the group is capitalised at around two years' fixed asset and R and D spending, but the yield is only 6.7 per cent.

Issue timing

A great many investors seem to have taken the old motto "sell in May and go away" very much to heart this year, judging by the way in which the past account, starting on May 1, has seen the 30-Share Index retreat by 36.9 points from the threshold of 600. In the last couple of days, however, equities have taken on a rather more solid appearance, probably largely because the hard-pressed gilt-edged market has started to look a little less fragile. Under the influence of soaring dollar interest rates, the yield on medium and long dated gilt-edged has pushed up to as much as 14½ per cent, but yesterday the dollar markets were looking more promising.

But while the gilt-edged market has been spared, at least for the moment, any doses of new stock, the equity market has been inundated with rights issues. Perhaps the total of some £170m raised in the first half of May has not in itself been exceptional, but what has surprised investors has been the sheer frequency of the almost daily cash calls.

This has suggested a change of approach by the authorities in managing the rights issue queue, with perhaps an increased sense of urgency in opening up the market to commercial fund raising. Merchant bankers trying to book a place in the queue are now finding it is pretty well full through June and July—though it is not entirely certain that a big wave of issues will materialise because the queue has a habit of melting away if conditions in the equity market deteriorate.

One reason why the authorities are keen to see more rights issues is that the use of shareholders' subscriptions to pay off bank borrowings serves to reduce the money supply. It is also true, however, that companies could use an enlarged equity base to support ever more borrowing in due course. Ideally the Bank of England would like to see companies repaying their bank debt by issuing long term bonds. But with gilt-edged yields where they are now, that prospect looks as far away as ever.

Ward/Tunnel

For the second time, Ward is extending its offer for Tunnel. Its level of acceptances is still negligible—it started out with just under 30 per cent of the votes and now has nearly 32 per cent.

Ward now has four options. It can increase the bid, which needs to go up by quite a margin judging by its poor reception so far. (Under the rules of the Takeover Code, Ward has until a week on Monday to improve its terms.) It can look for a single buyer for its Tunnel shares. It can place them in the market. Or it can return to its original position as a big minority shareholder in Tunnel. That looks the least likely course.

V G H

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